



Daily Report

China

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General

Qian Addresses UN Anniversary Delegation

OW2508135495 Beijing XINHUA in English
1258 GMT 25 Aug 95

[FBIS Transcribed Text] Beijing, August 25 (XINHUA) — China's voting record in the Security Council of the United Nations has stood the test of time, and China will continue to support UN activities, Chinese Vice-Premier and Foreign Minister Qian Qichen said here today.

Delivering a speech at a commemoration gathering marking the 50th anniversary of the founding of the United Nations here today, Qian said that China has always attached importance to UN activities, in which China, together with other developing countries, opposes hegemonism, power politics and interference in the internal affairs of member states, as well as advocating the settlement of disputes through peaceful means.

Experience has proved that China's votes in the Security Council have stood the test of time, and the country has won widespread acclaim in the international community, Qian told the gathering, which was attended by 200-odd officials and experts on the UN and international issues.

Qian held that the function of the United Nations, which is now the most important international organization linking various governments, will be decided by the degree of political and financial support from all its member states.

China, as a founding member of the UN, permanent member of the UN Security Council and the largest developing country with nuclear weapons, will continue to positively support UN activities, strictly abide by the purpose and principles of the UN Charter and fulfill its international obligations and responsibilities, in a bid to maintain the world peace and promote the joint development of all nations, the vice-premier stated.

The gathering was sponsored by the United Nations Association of China, which resumed its activities 10 years ago.

Councillor Comments on Upcoming UN Conference

OW2608062795 Beijing XINHUA in English
0605 GMT 26 Aug 95

[FBIS Transcribed Text] Beijing, August 26 (XINHUA) — Chinese State Councillor Peng Peiyun said here today that China has the confidence and ability to make a success of the World Conference on Women which is a major event of great significance.

"We will work hard to contribute to the successful convocation of the conference," said Peng, who is

chairman of the Chinese Organizing Committee of the conference.

Presiding over the Sixth plenary meeting of the Chinese Organizing Committee of the conference, Peng said that the Chinese Government has always shown warm support for women's affairs at the United Nations and actively involved in related UN activities.

Under the leadership of the State Council, she said that a great deal of preparatory work has been done by the Chinese Organizing Committee in close cooperation with relevant government departments and the Municipality of Beijing.

Peng said that now everything is ready to hold the conference, adding: "We are looking forward to meeting with the participants from all over the world, and the meeting will no doubt deepen mutual understanding and promote friendly exchanges."

She said that holding the world women's conference is not only regarded as China's contribution to the world community, but also as a chance to let the world know more about the country's achievements in reform and opening to the outside world.

She said that as guests from all over the world are coming to Beijing, "we should put our stress on how to give them a warm welcome."

Xu Zhijian, deputy secretary-general of the State Council and vice-chairman of the Chinese Organizing Committee, said that China, as the host country, will try its best to provide attendants with quality services and a fine environment and arrange various kinds of activities so as to make the conference a success.

U.S. First Lady To Attend

OW2608015695 Beijing XINHUA in English
0124 GMT 26 Aug 95

[FBIS Transcribed Text] Washington, August 25 (XINHUA) — Hillary Rodham Clinton will attend the Fourth World Conference on Women scheduled for September 4-15 in Beijing, the White House announced Friday [25 August].

White House press secretary Mike McCurry said in a statement that Mrs. Clinton's decision to attend the conference was based "upon the recommendation of the President's national security team."

McCurry said the first lady will be at the conference on September 5-6 as honorary chairwoman of the U.S. delegation led by Madeleine Albright, U.S. permanent representative to the United Nations.

McCurry said that though details of Mrs. Clinton's schedule are still to be worked out, she is expected to address the conference and other sessions sponsored by official and non-governmental organizations.

He also said that the conference "presents a significant opportunity to chart further gains in the status of women."

Participants Begin Arrivals

OW2708125695 Beijing XINHUA in English
1230 GMT 27 Aug 95

[FBIS Transcribed Text] Beijing, August 27 (XINHUA) — More than 3,000 people from over 70 countries had arrived by this afternoon in Beijing for the UN Fourth World Conference on Women (FWCW) and its parallel of the Non-governmental Organizations (NGO) Forum and 2,000 others will arrive early next morning.

According to a spokesman from the reception center of the Chinese Organizing Committee at the Capital International Airport, the arriving of the participants in groups started today and will continue until the third of September. About 18,000 people are expected to arrive tomorrow.

The FWCW and its parallel NGO Forum will attract 30,000 people from more than 180 countries and regions worldwide, most of whom will arrive through the Capital International Airport and be sent to the hotels by people at the reception center.

Dressed in pink vests, volunteers who are college students from foreign languages institutes in Beijing are working in the lobby of the airport terminal.

"I am very excited. I do not feel tired at all despite the long journey. We'll discuss the issue of African girl child at the NGO Forum," said a Nigerian woman who just disembarked from plane.

More than 3,000 Chinese and foreign journalists will be here to cover the conference. Some 700 of them will stay in the CATIC Hotel facing the International Convention Center, the main arena of the FWCW. The CATIC Hotel also receives some of the handicapped participants.

"Both Chinese and Western cuisines are served in the hotel to meet the demands of guests from different countries and delivery service is also offered for the disabled," said Feng Guanghua, deputy general manager of the hotel.

By 5:00 P.M. today, 1,591 participants attending the NGO Forum had registered and the certificate issuing centers in the Beijing Workers Stadium and NGO's Huairou conference hall started working yesterday and

everything has proceeded smoothly until now, said Yao Fachang, head of the Certificate Issuing Department under the Security Committee of the FWCW China Organizing Committee.

With 80 workers, the Certificate Issuing Office in Huairou will provide round-the-clock service and participants can obtain their certificates necessary within ten to 15 seconds. More than 303 certificates were issued yesterday and 585 more issued by 5:00 P.M. Today, he said.

Huang Qizao, director of the NGO Committee of the China Organizing Committee, and some officials from the United Nations inspected the office and expressed satisfaction with the work there.

Yao said the coming two days will see the busiest work of the certificate issuing offices as most participants for the NGO Forum will arrive by then. Up to 10,000 participants are expected to register in the Huairou Certificate Issuing Office tomorrow.

Flag-Raising Ceremony Held

OW2808060795 Beijing XINHUA in English
0554 GMT 28 Aug 95

[FBIS Transcribed Text] Beijing, August 28 (XINHUA) — The United Nations Fourth World Conference on Women (FWCW), the biggest in the UN history, held its flag-raising ceremony here this morning.

During the ceremony, the flags of the United Nations and the host country, the People's Republic of China, were raised in front of the Beijing International Convention Center (BICC), the main venue for the conference.

The plaza in front of BICC has a large emblem of the conference in both Chinese and English, congratulating the forthcoming gathering of women from across the world.

At 8:45 A.M. (local time), Peng Peiyun, a Chinese State Councilor and chairperson of FWCW China Organizing Committee and vice chairpersons Huang Qizao and Li Zhaoxing and Ms. Gertrude Mongella, secretary-general of the FWCW along with several other senior UN officials came to the plaza, accompanied by an orchestra composed of some 60 children from a Beijing primary school. The flag-raising ceremony started at 9:00 A.M.

Ms. Mongella delivered a speech after the flags were hoisted. She spoke highly of the "extraordinary enthusiasm by the Chinese government to make this conference a success." The coming women's conference, she said, "will be the biggest, and the most important United Nations conference in history."

"Soon, we'll see large delegations from 185 member countries of the United Nations and the representatives of United Nations system, the representatives of some 2,500 non-governmental organizations and some 3,500 people from the media," she said.

Ms. Mongella said that the event is not about one group or the other. "The conference affects every human being on earth. It is an important chance for people, and particularly women around the world to link up and communicate," she said.

Peng Peiyun then announced that now everything is ready for the conference. She added that China will continue its cooperation with the United Nations and other relevant departments to make the conference a complete success and to realize the general goal of equality, development and peace at an early date.

First Youth Academic Conference Held in Beijing

OW2608143395 *Beijing XINHUA in English*
1421 GMT 26 Aug 95

[FBIS Transcribed Text] Beijing, August 26 (XINHUA) — The first youth academic conference of International Federation of Automatic Control [IFAC] was opened early this week in Beijing Engineering University.

More than 200 foreign delegates from over 20 countries attended the meeting.

Nearly 300 academic papers were presented at the conference, and discussions were held in the fields of the control technology of robots, intellect control, filtering and data signalling control etc.

The conference, co-hosted by the International Federation of Automatic Control and Chinese Association of Automation, was a preview of the World Conference on International Federation of Automatic Control to be held in China in 1997.

United States & Canada

Qian on 'Great Importance' of Sino-U.S. Ties

OW2708073695 *Beijing XINHUA in English*
0656 GMT 27 Aug 95

[FBIS Transcribed Text] Beijing, August 27 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that China attaches great importance to Sino-U.S. relation and hopes that both sides increase mutual trust and reduce trouble.

In a meeting with visiting U.S. Undersecretary of State Peter Tarnoff, Qian noted that the basis of Sino-U.S. relations is the three joint communiqués reached by leaders of the two nations through long-time consultations with Taiwan issue as a core.

He said that the U.S. permission of the visit by Li Teng-hui had brought about serious consequences to relations between China and the United States, greatly hurt the feelings of the Chinese people and intensified the relations between the two sides of the Taiwan Strait.

"China hopes that such kind of event will never occur." Qian said.

Tarnoff noted that the recent event had made the United States all the more aware about the importance and sensitivity of Taiwan issue. The U.S. attaches importance to and fully respects China's position on Taiwan issue, he said.

The United States, he said, is willing to maintain and develop a sound relationship with China, which, he added, has a very important place in perspective of the world strategy.

Tarnoff arrived in Beijing Friday [25 August] and had talks with Chinese Vice-Minister of Foreign Affairs Li Zhaoxing Saturday.

Sources said that during the talks, Tarnoff said that his country carries out the "one-China policy", and abides by the three Sino-U.S. joint communiqués.

The Undersecretary said that the United States opposes the position of "two-China" or "one China, one Taiwan", opposes the Taiwan independence as well as Taiwan's attempt to join the United Nations.

Representative To Attend War Commemoration

OW2808044795 *Beijing XINHUA in English*
0347 GMT 28 Aug 95

[FBIS Transcribed Text] Beijing, August 28 (XINHUA) — Li Xilin, Guangzhou Military Area commander of the Chinese People's Liberation Army, left here today for Honolulu, Hawaii, to attend a ceremony marking the 50th anniversary of the end of the Second World War.

The three-day celebration from September 1 to 3 is to be held by the U.S. Department of Defense.

Li, representative of Chinese National Defense Minister Chi Haotian, was invited by U.S. Secretary of Defense William Perry.

Southeast Asia & Pacific**Singapore President, Minister Continue Visit****Group Heads for Shanghai**

OW2608135095 Beijing XINHUA in English
1342 GMT 26 Aug 95

[FBIS Transcribed Text] Shijiazhuang, August 26 (XINHUA) — Visiting Singaporean Senior Minister Lee Kuan Yew wound up his four-day visit to north China's Hebei Province and left for Shanghai this afternoon.

The senior minister and Mrs. Lee arrived in the port city of Qinhuangdao in Hebei on August 22 along with President Ong Teng Cheong and several scores of Singaporean businessmen.

Beginning August 23, they travelled to some scenic spots, and visited enterprises and markets in Qinhuangdao, Langfang and Shijiazhuang cities in the province. A few Singaporean businessmen also visited and inspected some enterprises in Tangshan City.

This afternoon, Singaporean businessmen and officials from the relevant departments in Hebei held negotiations here. At the end of the negotiations, Lee attended a signing ceremony.

Departs Shanghai for Jiangsu

OW2808044995 Beijing XINHUA in English
0354 GMT 28 Aug 95

[FBIS Transcribed Text] Shanghai, August 28 (XINHUA) — Visiting President of Singapore Ong Teng Cheong concluded his visit to Shanghai and left here for a visit to the Singapore-Suzhou Industrial Park Project of Jiangsu Province today.

During a meeting with Ong on Sunday, Mayor of Shanghai Xu Kuangdi said that the co-operation between

Shanghai and Singapore has been sound and projects invested in by Singapore in Shanghai have been mostly successful. He also expressed appreciation over Singapore's heavy investment in the city.

Ong noted that both Singapore and China are devoting themselves to economic development and the reinforcement of co-operation. He said he hoped that the construction of the Singapore-Suzhou Industrial Park Project would win support from Shanghai.

Ong arrived here August 26 after his visit to the Korean Autonomous Prefecture of Yanbian in northeast China's Jilin Province. During his stay in Shanghai, Ong and his party also visited the Pudong New Area, Hongqiao Economic and Technological Development Zone and the renovation project of the old city district.

Minister Comments

OW2708161195 Beijing XINHUA in English
1605 GMT 27 Aug 95

[FBIS Transcribed Text] Suzhou, August 27 (XINHUA) — Visiting Singaporean Senior Minister Lee Kuan Yew today optimized [as received] about the prospect of Suzhou Industrial Park, a programme jointly developed by China and Singapore.

After listening to an introduction to the situation in the construction of the park here today, Lee said that his country places great hope on the park and will spare no efforts in supporting its construction.

Chen Huanyou, secretary of Jiangsu Provincial Committee of the Chinese Communist Party, told Lee that his province has given high priority to the construction of the park and is confident of the success in building the park.

It was learned that the park has up to now attracted a total investment of 1.5 billion US dollars.

Political & Social

Jiang Zemin Addresses CMC WWII Gathering

OW2808003595 Beijing XINHUA Domestic Service
in Chinese 1059 GMT 25 Aug 95

[By RENMIN RIBAO reporter Guo Jia (6753 0857) and
XINHUA reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 25 Aug (XINHUA) — In a speech delivered today at a discussion meeting attended by veterans of Beijing-based army units marking the 50th anniversary of the victory of China's war of resistance against Japan, Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the Central Military Commission [CMC], stressed: The Chinese nation has a long tradition of patriotism. This is a powerful spiritual pillar around which people of all nationalities in our country share weal and woe and constantly strive to become stronger. Fifty years ago, it was none other than the patriotic spirit that motivated the whole nation to work with one heart and one mind, to advance in successive waves without fear of death, and to shatter the Japanese imperialists' pipe dream of destroying China. In the new period of reform, opening up, and modernization, we still need to vigorously promote the patriotic spirit. With this spirit, we can pool and rally the strength of the entire nation to the greatest possible extent to work in unity for constant successes in socialist modernization.

A discussion meeting for veterans of Beijing-based army units was solemnly held at the Great Hall of the People today to mark the 50th anniversary of the victory of China's war of resistance against Japan. Liu Huaqing, standing committee member of the CPC Central Committee Political Bureau and vice chairman of the CMC, attended the meeting and spoke. CMC Vice Chairman Zhang Zhen presided over the meeting. Qin Jiwei, vice chairman of the Standing Committee of the National People's Congress; Chi Haotian, Zhang Wannian, Yu Yongbo, and Fu Quanyou, members of the CMC; and Wu Xiuquan, Li Desheng, Zhang Aiping, Chen Xilian, Liao Hansheng, Yang Chengwu, and Xue Ming, veteran generals and veteran comrades who had rendered meritorious services to the victory of China's war of resistance against Japan, were present at today's meeting. Some famous model heroes, representatives of army units of heroes, and model heroes of veteran militia units during the war of resistance against Japan inside and outside Beijing as well as representatives of excellent cadres at the grass-roots units were invited to participate in the discussion meeting.

In his speech, on behalf of the party Central Committee and the CMC, Jiang Zemin paid high tribute and conveyed cordial regards to veteran comrades present at

the meeting as well as all veteran soldiers, militiamen, and heroes who had taken part in the war of resistance against Japan. He said: During the eight-year bloody war, countless outstanding sons and daughters of our party and the armed forces gave their precious lives for the sake of winning the war. We cherish profound memories of these revolutionary martyrs. The party and the people will never forget their great meritorious contributions. The CPC was a banner in the national war of resistance. The history of the eight-year war of resistance proves that armed with Marxism, the CPC was a strong core leading China's national liberation and rejuvenation, and was an outstanding organizer and inspirer that rallied the strength of the whole nation. In commemorating the 50th anniversary of the victory in the war of resistance against Japan, we cherish even more the independence that we gained through protracted struggle and sacrifices made with bloodshed, and the correct path that we initiated through difficult exploration for socialist construction in China. We firmly believe that the goal of building a modern socialist China that is prosperous, strong, democratic, and culturally advanced will surely be realized through sustained concerted efforts by people across the country under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line.

In his speech Liu Huaqing summed up the historical experience gained by our army in gaining development and expansion and in defeating a strong and superior force with a weak and backward force during this period. First, upholding the party's absolute leadership over the army is the fundamental principle for our army-building and we must not waver in our resolve at any time. Second, we must persist in the purpose of our army, namely, to serve the people wholeheartedly, and always stand on the side of all the people across China. Third, we must promote the revolutionary spirit of plain living and hard struggle to always preserve the true political qualities of the people's army. Fourth, we must wage a people's war and adopt flexible strategy and tactics. Liu Huaqing called on the whole army to carry forward the fine tradition of our party and army; to conscientiously study and implement Mao Zedong's military thinking as well as Deng Xiaoping's thinking on army-building in the new period; to resolutely obey the command of the party Central Committee and the CMC with Comrade Jiang Zemin as the core; to comprehensively strengthen the building of army units; and to make new contributions to carrying out the historical mission of our army and building China into a powerful modern socialist country.

At the end of the meeting, Zhang Zhen said: We must turn the historical experience gained in the war of resistance against Japan and the precious spiritual values that have taken shape during the period into an enormous driving force for us to strengthen army-building and promote the great cause of building socialism with Chinese characteristics. All officers and men of the army must rally around the party Central Committee and the CMC with Comrade Jiang Zemin as the core more closely than ever; obey the command of the party in all their actions; raise high the banner of patriotism; fulfill the purpose of our army to serve the people wholeheartedly; maintain the true political qualities of plain living and hard struggle; strengthen unity between the army and the government and between the army and the people; make efforts to enhance the combat effectiveness of army units; be prepared to accomplish the sacred mission of safeguarding the sovereignty and territorial integrity of the motherland and maintaining its unification at all times; carry forward the fine tradition of our army by action; and render new meritorious services to the people.

Ye Fei, Sun Yi, and Chen Heqiao, representatives of veteran soldiers; Liu Jinshan, representative of model heroes in the war of resistance against Japan; and Xue Li, representative of excellent cadres at the grassroots units, successively took the floor at the discussion meeting.

Among the veteran generals and veteran comrades who also participated in the discussion meeting were Huang Xinting, Mo Wenhua, Hu Qicai, Ouyang Yi, He Zhengwen, Xu Xin, Han Huaizhi, Du Yide, Song Chengzhi, Kuang Fuzhao, Cai Shunli, Chen Kang, Huang Yukun, Gu Jingsheng, Xie Zhenhua, Guo Linxiang, Xiao Quanfu, Zhang Zhixiu, Shi Jinqian, Zhang Xianye, Rao Zhengxi, Cao Siming, Li Zhen, Zhou Wenlong, Luo Yuanfa, Xing Yongning, Zhou Renjie, Li Yaowen, Wei Jinshan, Wu Fushan, Zhang Tingfa, Gao Houliang, Zhu Guang, Wang Zonghuai, He Jinheng, Liu Lifeng, Li Xuge, Liang Biye, Wang Chenghan, Zheng Wenhan, Jiang Shunxue, Liu Zhijian, Zhu Dunfa, Li Wenqing, Zheng Weishan, Fu Chongbi, Liu Zhenghua, Wu Lie, Wan Haifeng, Zhou Yibing, Wang Chengbin, Li Xuanhua, and Liu Kai.

Principal leading comrades of the General Staff Department, General Political Department, and General Logistics Department of the People's Liberation Army, major units stationed in Beijing, and units of the Chinese People's Armed Police Force stationed in Beijing also participated in today's discussion meeting.

Text of Jiang's Speech

OW2508140795 Beijing XINHUA Domestic Service
in Chinese 1048 GMT 25 Aug 95

[FBIS Translated Text] Beijing, 25 Aug (XINHUA) — Speech by Jiang Zemin at a 25 August meeting of veteran soldiers of military units stationed in Beijing to mark the 50th anniversary of the victory of the war of resistance against Japan.

Comrades: Today's meeting of veteran soldiers is an important military event to mark the 50th anniversary of the victory of the war of resistance against Japan. All you veteran comrades present here participated in that extraordinarily arduous and heroic great war and rendered brilliant historical services for national independence and liberation. Allow me to represent the party Central Committee and the Central Military Commission in expressing our high respects and cordial regards to you veteran comrades as well as all veteran soldiers, militiamen, and heroes who took part in the war of resistance against Japan. During the bloody eight-year war, countless outstanding sons and daughters of our party and the Armed Forces gave their precious lives for the sake of winning the war. We cherish profound memories of these revolutionary martyrs. The party and the people will never forget their great meritorious contributions.

The war of resistance against Japan was a just war that the Chinese people waged to counter Japanese imperialists' aggression and to achieve national independence and liberation. Confronting a formidable enemy at a time when the nation was in peril, the CPC, holding high the banner of patriotism and the anti-Japanese national united front, rallied all parties and people of all walks of life in the country as well as all patriotic compatriots to fight the common enemy and save the country from calamity. After eight years of heroic struggle, and with the support of the people and antifascist forces around the world, we defeated the Japanese imperialists. The victory of the war of resistance against Japan was the first total victory the Chinese people won in resisting foreign aggressors since the Opium War fought over a century ago. The victory powerfully accelerated the process of the Chinese revolution and became the historical turning point from which the Chinese nation headed for rejuvenation from peril. China's war of resistance against Japan was an important part of the world's antifascist war. The Chinese battlefield of resisting Japan was the main battlefield of the world's antifascist war in the Orient. During the war, the Chinese people made enormous national sacrifices, making permanent historical contributions to defeating and annihilating fascism and safeguarding world peace and mankind's dignity.

The Chinese nation's heroic great undertaking of defying brutality, resisting aggression, and achieving independence was an immortal monument in the world history of national liberation movements.

The CPC was a banner in the national war of resistance. The anti-Japanese national united front formed under the initiation of the CPC and Comrade Mao Zedong fully mobilized the nation's Armed Forces and people. It was the most effective form of waging a national war against resistance and it was the decisive factor in defeating the Japanese aggressor. The line of waging an all-out war of resistance, the general strategic policy of waging a protracted war, the complete set of tactical principles, and the correct strategic guidance for the war of resistance against Japan — which the CPC put forth and provided on the basis of scientifically analyzing the political, economic, and military situations of China and Japan — were the basic guarantees for winning the war of resistance against Japan. The independent guerrilla war carried out by the CPC-led soldiers and people, and the strong anti-Japanese democratic bastions they built, were the tower of strength and the mainstay that continued making advances in rallying the people to fight the enemy. The history of the eight-year war of resistance proves that the Marxism-armed CPC was the strong core leading the national liberation and rejuvenation, and was the exceptional organizer and inspirer that rallied the strength of the whole nation.

In this great war of national liberation, the heroic 8th Route Army, New Fourth Army, and the people's local Armed Forces made immortal contributions to the victory in the war of resistance against Japan. Under party leadership, the 8th Route Army and the New Fourth Army displayed the spirit of heroically defending the country; they rushed to the battlefield, set up strategic bases in enemy-occupied areas, spread the seeds of the people's Armed Forces and kindled the beacon fire of the people's war in the vast lands behind enemy lines. Soldiers and civilians launched guerrilla attacks on the Japanese enemy everywhere across the nation — in and out of the Great Wall and on both sides of the Chang Jiang, creating a vast sea to drown the enemy. In the eight years of war, our people's Army not only played the important role of mainstay but also underwent trials and tests and grew stronger in the process. The years of the war of resistance against Japan was a key period in which our party scored glorious success in correctly integrating Marxism-Leninism with the concrete practice of the Chinese revolution; it was a crucial period that saw the all-round maturing of Mao Zedong Thought and Mao Zedong's military thought. The fundamental principles and fine traditions of our Army, which were formed during the Red Army years

and were constantly enriched and developed during the war of resistance against Japan, and the subsequent revolutionary struggle — have become a distinctive strength of our Army and a magic weapon for building up and running the Army.

The world has undergone tremendous changes in the 50 years since the war's end. Peace, development, and progress have become an irresistible trend of today's world. We must, however, be soberly aware that, even though the Cold War has ended, the world is far from tranquil. Hegemonism and power politics remain. Hostile forces in the West have never for an instant given up their scheme to "Westernize" and "split up" China. There are many people in the world who always misread the situation and are bent on interfering in China's internal affairs, violating China's sovereignty, and sabotaging China's reunification. They connive and support "Taiwan independence" forces in a vain attempt to split Taiwan from the Chinese territory. Without giving any thought to overall national interests and feeling self-possessed with the alien backing, a handful of separatists on Taiwan have openly engaged in activities aimed at splitting up the motherland in a vain attempt to create "two Chinas" or "one China and one Taiwan." Some alien forces have also used "human rights," nationalities, and religious issues to exert pressure on us and to carry out infiltration and subversion activities. We must be prepared for danger in times of peace and remain highly vigilant.

"Past experience, if not forgotten, is a guide for the future." The Chinese people, who have experienced many vicissitudes of life and gone through a good deal, will never forget this historical lesson: A weak nation is often bullied by others and a nation that lags behind is vulnerable to attack. Today China is no longer the poor and weak old China it once was. After years of revolutionary struggle and construction, we have scored world-acknowledged achievements and our international standing is rising continuously. Gone forever are the days when the Chinese nation was trampled upon by others. If, however, we are to achieve the all-round rejuvenation of the Chinese nation, we still have to continue our hard work. We must seize the opportunity and take advantage of the current opportune time to speed up development. We must firmly adhere to the path of building socialism with Chinese characteristics, muster all our resources to develop the national economy, and constantly enhance our national strength to build an even stronger China. By doing so, we will have a solid foundation and reliable guarantee for defending China's sovereignty and territorial integrity and accomplishing the great cause of motherland reunification. While promoting

the economy we must strengthen our national defense. "Without a people's army, the people have nothing." This was a basic conclusion reached by Comrade Mao Zedong on the basis of experience gained with blood from the Chinese people's protracted revolution, as well as an irrefutable truth. Without strong national defense and a powerful army, a country cannot safeguard its territorial integrity and national dignity. Since the program of reform and opening up was introduced, our national defense capability has improved steadily along with economic development. However, judging by the complicated international environment in which we are living, and by the need to safeguard national unity and defend modernization, we still need to further strengthen our national defense and army building. China will never commit aggression against other countries, nor will it allow other countries to violate its territorial sovereignty and maritime rights and interests. We will never sit by idly in the face of any act that undermines the motherland's unity and creates a separate nation. We must constantly improve our Army's weaponry and fighting capability, and strengthen its defense capability. We must make people throughout the country more aware of the importance of national defense and more supportive of national defense construction. In the new situation, the People's Liberation Army should always keep in mind the responsibility it shoulders; uphold Mao Zedong's military thinking and Comrade Deng Xiaoping's concept of army building in the new period; inherit and carry forward our Army's glorious tradition; constantly advance the process of creating a revolutionary and modern regular Army; uphold military strategic principles in the new period; make adequate preparations for military operations; and better perform the sacred mission of defending national sovereignty and territorial integrity and safeguarding the motherland's unity.

The Chinese nation has a long tradition of patriotism. This is a powerful spiritual pillar around which people of all nationalities in our country share weal and woe and constantly strive to become stronger. Fifty years ago, it was none other than the patriotic spirit that motivated the entire country to be united in opposing foreign aggression, with all social strata, political parties, and nationalities working with one heart and one mind, as they did not want to be "slaves without a country" and were "pledged to fight to the death to save their imperiled country"; it was none other than the patriotic spirit that motivated the vast numbers of soldiers and civilians resisting the Japanese to advance in successive waves without fear of death to "build a new Great Wall with their flesh and blood," and shatter the Japanese imperialists' pipe dream of destroying China. In the new period of reform, opening up, and modernization,

we still need to vigorously promote the patriotic spirit. With this spirit, we can pool and rally the entire nation's strength to the greatest possible extent to work in unity for constant successes in socialist modernization. The more we are engaged in modernization, the more we need to educate our people and Army, especially the younger generation, about the need to constantly enhance their sense of national pride and responsibility, and to greatly inspire the spirit of patriotic dedication.

In commemorating the 50th anniversary of the victory in the war of resistance against Japan, we cherish even more the independence that we gained through protracted struggle and bloodshed; and the correct path that we initiated through difficult exploration for socialist construction in China. Although we will continue to encounter difficulties and risks on our way ahead, we firmly believe that the goal of building a modern socialist China that is prosperous, strong, democratic, and culturally advanced will surely be realized through sustained concerted efforts by people across the country under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line.

Li Peng Promulgates Water Pollution Regulations

OW2808055995 Beijing XINHUA Domestic Service
in Chinese 2051 GMT 21 Aug 95

[FBIS Translated Text] Beijing, 22 Aug (XINHUA) — PRC State Council Decree No. 183

The "Interim Regulations on Preventing and Controlling Water Pollution in the Huaihe River Valley" are hereby promulgated, and are to be enforced as of the date of promulgation.

[signed] Premier Li Peng

[dated] 8 August 1995.

NPC Standing Committee Meeting Continues

OW2608125795 Beijing XINHUA in English
1231 GMT 26 Aug 95

[FBIS Transcribed Text] Beijing, August 26 (XINHUA) — China's economy, well on target for the macro-economic control, has been on a sound track since the beginning of this year, a senior government official told legislators here today.

More efforts are still needed over the next few months of this year to bring down inflation and boost the healthy growth of the national economy, said Chen Jinhua, minister of the State Planning Commission, at the second full session of the on-going 15th session of the Standing Committee of the Eighth National People's Congress (NPC).

The minister was reporting on the implementation of the national economic and social development plan for 1995 to members of the NPC Standing Committee.

Qiao Shi, Chairman of the NPC Standing Committee, attended the meeting, which was presided over by NPC Vice-Chairman Qin Jiwei.

At the session, State Councillor Peng Peiyun gave a report on the work the China Organizing Committee has done in preparing for the convocation of the United Nations Fourth Conference on World Women in coming September in Huairou, Beijing.

The legislators also listened to a report made by Wang Bingqian, vice-chairman of the NPC Standing Committee, on an inspection over the implementation of laws regarding environmental protection.

From April to June this year, the NPC Standing Committee sent three teams to Hainan, Shanxi and Liaoning provinces to inspect the implementation of environmental protection laws.

Wang Bingqian Speaks

SK2808045995 Beijing XINHUA Domestic Service
in Chinese 2020 GMT 26 Aug 95

[By reporters Liu Siyang (0491 1835 2254) and Jia Fenyong (6328 1164 0516)]

[FBIS Translated Text] Beijing, 26 Aug (XINHUA) — Wang Bingqian, vice chairman of the National People's Congress [NPC] Standing Committee, emphasized today that the major reasons for China's environmental pollution and damage of resources were the lack of attention given by higher-ranking leaders to environmental protection, the ineffective macro-control exercised by the departments charged with overall responsibilities, the weak sense of urgency, and the inadequate consideration given to environmental protection when economic decisions were made.

Wang Bingqian delivered a report on the inspections over enforcement of the environmental protection law conducted by the NPC Standing Committee law-enforcement inspection groups at today's full session of the 15th Standing Committee meeting of the eighth NPC. He said: The NPC Standing Committee organized three law-enforcement inspection groups to inspect the enforcement of the environmental protection law in Hainan, Shanxi, and Liaoning Provinces from April to June this year. During the inspections, the groups heard reports given by the people's congresses and governments as well as 21 cities, prefectures, and counties of these three provinces on their enforcement of the environmental protection law, and conducted field inspections over 140 industrial and mining enterprises,

development zones, nature reserves, pollution control facilities, and public places. The results showed that these three provinces had done plenty of work and achieved certain results in implementing the basic national policy of environmental protection, in enforcing environmental protection laws and regulations, and in carrying out environmental pollution control, overall urban environmental improvement, afforestation, and soil erosion control.

Wang Bingqian stated: Judging from the inspections, the provincial party committees, people's congresses, and governments of these provinces attached more importance to the environmental protection work than in the past. For instance, the major leading comrades of Hainan Province viewed environmental protection as a matter of life and death of Hainan Province, and an important issue concerning the means of livelihood of Hainan people. Shanxi Province listed environmental protection as one of its five development priorities and carried out the environmental protection work to the letter through such measures as establishing the responsibility system for accomplishment of environmental protection targets, signing letters of responsibility for environmental protection, and implementing the evaluation system for performance in environmental protection. Liaoning Province took pollution control and environmental protection as important strategic tasks of economic development and implemented provincewide the "524 project" whose major task was to control air pollution and the "blue water project" whose major content was to protect and conserve water resources.

Wang Bingqian pointed out: The three provinces have carried out a great amount of work for enforcing the environmental protection law. Judging from the inspections, however, their environmental and resources situation remain grim, their deteriorating trend in the environment has yet to be effectively controlled, and their waste and even damage of resources are a rather common scene.

Wang Bingqian suggested that party and government leaders at all levels fully estimate the importance, urgency, arduousness, and protracted nature of environmental protection and truly place it in a strategic position as a basic national policy.

He said: Governments at all levels should strengthen macro-control over environmental protection. When formulating economic and social development plans, especially when determining economic development rates, they should seek truth from facts, act in accordance with their capacity, give full consideration to the resource and environmental capacity and never pursue a pattern of promoting and stimulating high economic growth

through projects that cause high energy consumption and high pollution, which will then adversely affect the sustained and healthy development of the economy. Meanwhile, they should expedite environmental legislation and strengthen law-enforcement supervision and inspection; should rely on scientific and technological advance to develop the environmental protection industries; should pay attention to the focal point and concentrate efforts to solve a number of conspicuous problems; and should strive to bring about substantial improvement in the environment throughout the whole country after three to five years of efforts.

Chen Jinhua Addresses Meeting

*OW2608133995 Beijing XINHUA in English
1319 GMT 26 Aug 95*

[FBIS Transcribed Text] Beijing, August 26 (XINHUA) — The overall national economic situation has been good so far this year but there still some problems, Chen Jinhua, minister of the State Planning Commission, said here today.

"The national economy has been on the right track toward the macro-economic control target set by the government," Chen told legislators at the on-going 15th session of the Standing Committee of the Eighth National People's Congress.

Economic reforms with emphasis on restructuring the state-owned enterprises continued to make progress in the seven months to July, the minister explained.

He also cited the monthly downward spiral of prices, stable and sustained economic growth, improved industrial production structure, good summer grain and edible oil harvests, a slowdown in fixed-asset investment growth, expanding foreign trade, a steady rise in foreign investment, normal financial operations, controlled money supply and bank credits, and the overall growth of science, technology and education.

The national monthly retail price index has reported a steady decline since last October, to 21.2 percent in January and 14.6 percent in July, with the rate in the 35 largest cities down to 12.8 percent in July, he said.

This shows that significant progress has been scored in realizing the macro-economic control target highlighting the fundamental task of reining in inflation envisaged by the National People's Congress earlier this year, Chen noted.

In yet another sign of an improved overall macro economic situation, growth in investment in fixed assets by state units dropped by 31 percentage points to 14 percent from January to July over the same period of last year, according to the minister, who added that the

investment structure has turned for the better, as money invested in agriculture, forestry and water conservancy projects rose by 29.2 percent in the seven months to July.

"There is still a long way to go before we can fulfill this year's fundamental task of controlling price rises," Chen noted.

Other problems, according to Chen, included an increase in the number of projects newly launched, a relative low capacity to cope with agro-related natural adversities, operational difficulties faced by some state-owned enterprises, and entangled debts among enterprises.

"We must not relax half way down the battle against price rises if we are to eventually achieve our macro-economic control target," Chen said.

Still greater efforts must be made in the remaining months of this year to further strengthen the national economic base of agriculture, continuously control fixed-asset investment and reform the state-owned enterprises, keep to the relatively tight financial and monetary policies, and curb excess growth in consumption spending, the minister urged.

Ren Jianxin Meets With Top 10 Policewomen

*OW2508162895 Beijing XINHUA in English
1555 GMT 25 Aug 95*

[FBIS Transcribed Text] Beijing, August 25 (XINHUA) — Ten policewomen, including two from minority nationalities, were cited as the "Top Ten Policewomen in China" here today.

Ren Jianxin, a member of the Secretariat of the Chinese Communist Party Central Committee and secretary of the Political Science and Law Committee under the CPC Central Committee, met with the ten policewomen before the ceremony to honor them for their unusual deeds accomplished in ordinary posts and encourage them to make further efforts to achieve new successes.

The top ten policewomen elected and another 18 nominated are outstanding representatives of the country's over 100,000 policewomen.

Since 1980, 17 policewomen have been awarded the titles of National First Class or Second Class Model Police Heroine, and 53 have been elected as Excellent National Policewomen.

Former Secretaries Remember Chen Yun

*HK2408015295 Beijing RENMIN RIBAO in Chinese
23 Jun 95 p 11*

[Article by Liu Jiadong (0491 1367 2767), Wang Yuqing (3769 3768 3237), Yu Jianting (0151 1696

0080), Zhou Taihe (0719 1132 0735), Zhu Jiamu (2612 0163 2606), and Xu Qingyue (6079 1987 6460): "A Brilliant Model of the Party's Fine Work Style — Profoundly Cherishing the Memory of Comrade Chen Yun"]

[FBIS Translated Text] The unfortunate death of Comrade Chen Yun was an immeasurable loss to our party and country. We, who were secretaries to him at different stages, from the Yanan times to the new era of socialist modernization, are even more heavy-hearted and saddened. In his revolutionary career of over 70 years, loyal to the communist ideal through thick and thin, he consistently and expertly integrated basic Marxist principles with China's reality, displaying the vision of a proletarian revolutionary and outstanding leadership qualities. Working at his side, we all had intimate experience of all this. What impressed us most, however, were the fine traits of our party's work style embodied in him.

I

Seeking truth from facts, proceeding from reality in all we do, and integrating theory with practice — one of the three important work styles of our party. For the sake of seeking truth from facts, Comrade Mao Zedong, beginning in the Jinggangshan period, energetically advocated the need to be immersed in reality and to conduct investigation and research. Comrade Chen Yun not only profoundly understood this principle, but consistently carried it out in an exemplary way, and was creative from time to time in practice. He often said: When one tries to seek truth from facts, one needs to find out about the "facts" first. We should spend more than 90 percent of our time on investigation and research, and less than 10 percent on policy decisions. We all felt that he never made rash remarks, let alone impromptu, empty comments. Whatever issue he was to address, he would always carry out in-depth investigation and do thorough thinking beforehand. Therefore, his words were always well grounded, accurate, appropriate, to the point, and practicable.

In 1939, Comrade Chen Yun was head of the Organization Department of the CPC Central Committee in Yanan. To study the issue of building party organizations in enemy-occupied areas, he sent two inspection groups to carry out investigations in southeast Shanxi Province and in the Hebei-Chahar-Shanxi base. He also suggested that the center summon the persons in charge of the party committees of all major districts and the party secretaries of some prefectures and counties, as well as township and village party branch secretaries, to report on their work. He later listened to the reports made by the leading comrades of three levels of party

organizations from six prefectures from North China, and talked three days and three nights to the secretaries of nine grass-roots party branches. Through investigation, he discovered that the weakest point in party organizational work in north China was work with the masses. In view of this, he wrote an article entitled "Conducting Mass Work Is the Focus of Local Work at Present," in which he expounded on the relationship between developing and consolidating party organizations and the mass work, and demanded that the party's district committees, branches, and groups place on their regular agenda the issue of investigating and solving problems concerning the masses' immediate interests. As Comrade Chen Yun always made a point of discovering the truth in the event of any happening before setting principles and policies, he effectively guided the party's organizational building during the time he was in charge of the central organizational department. When he was appointed head of the central organizational department toward the end of 1937, CPC membership was a mere 30,000. However, one year after he had had quit that post, i.e. when the Seventh National CPC Congress was convened in 1945, party membership had grown to 1.21 million. This tremendous change is inseparable from his outstanding contributions.

After the founding of the People's Republic, Comrade Chen Yun was in charge of national financial work for a long time, in which he put forward many correct guidelines, working principles, and major measures. He was considered throughout the party as an expert in fiscal management, and was highly appraised by Comrade Mao Zedong. His achievements were due, to a large extent, to his practical, realistic, and reality-oriented work style.

In order to learn what really went on in rural areas, in the decade or so between the early 1950's and the early 60's, Comrade Chen Yun not only appointed a few contacts among the ordinary farmers from his hometown, asking them to report to him frequently by correspondence or by visits to Beijing in person, but he often visited various rural areas around the country to investigate. He carried out four investigations in his hometown, Qingpu County, alone. On his fourth visit, he stayed with a farmer's family, eating with them and investigating for two weeks. At that time, under the influence of the "left" ideology, household-based pig raising was restricted or banned. Later, although the center decided on the dominance of private rearing of hogs, supported by public piggeries, as suggested by Comrade Chen Yun, the policy on sows was still ambiguous. During this investigation, he had separate discussions with collective piggeries and household piggery owners, and thoroughly inspected 10 piggeries and some household piggies. He

discovered that privately raised sows were better than those raised in the public piggeries: They were producing more piglets, and with a higher survival rate. Therefore, he wrote an investigation report to the center entitled "Sows Too Should Left With Farmers for Private Raising," in which he mentioned several benefits of the private raising of sows, one of them being that private raising of sows "will make sure that the last-born piglet, which is quite weak, will be given the third teat, with the most milk. With this arrangement, the piglets will get used to feeding from fixed teats and their growth will be more even." This observation shows how down-to-earth and detailed Comrade Chen Yun's investigation was.

Practice has proven that the principle of allowing the dominance of private raising of both hogs and sows had a decisive impact on the recovery and development of the pig industry. However, Comrade Chen Yun also mentioned in that investigation report that there were about 10 communes in the vegetable-growing base in the outskirts of Shanghai where the farmers had not had much experience in raising pigs. Therefore, for the time being, the private raising of the majority of sows should not be applied. Besides, in order to improve the breeds of pigs, breeding hogs and sows should continue to be raised by the collective. This shows that in his eyes, even a correct principle should be implemented with consideration for different conditions, and should not be copied indiscriminately and uniformly. This was how thoroughly the party's work style of seeking truth from facts was embodied in Comrade Chen Yun.

II

If consistently seeking truth from facts is easier said than done, then trying to seek truth from facts under pressure or in adverse circumstances is even more difficult. It was under such circumstances that Comrade Chen Yun's truth-seeking and pragmatic style was fully displayed. He had a famous saying: "Do not follow the superior blindly; do not follow the book blindly; do follow the truth wholeheartedly." This was his understanding of how to achieve seeking truth from facts, and a faithful description of his bold style of sticking to principles in the interests of the party and the people.

Soon after the War of Resistance Against Japanese Aggression was won, Comrade Chen Yun was seconded by the party center to the northeast as a member of the Northeast Bureau and concurrently secretary of the North Manchuria Subbureau. At that time, the CPC had just entered that region and was still in the process of learning about conditions in the northeast. The Kuomintang [KMT] reactionaries also were augmenting their forces fighting for the northeast

against us. Therefore, the center instructed the Northeast Bureau that the troops should be concentrated in their fighting; guard the gateway to the northeast; seize the three major cities of Shenyang, Changchun, and Harbin; and occupy the whole of the northeast. Comrade Chen Yun, however, after on-the-spot investigation and after extensively collecting, piecing together, and analyzing information from various sources, came to see that the issue of the northeast was one of rivalry between two big powers: the Soviet Union and the United States. On the one hand, the Soviet Union, bound by the Treaty of Yalta, must hand the three major cities and the Zhongchang Road over to the KMT; on the other, the Soviet Union wished to see our party develop in the northeast, and it refused to let U.S. forces infiltrate directly into the northeast. The United States, however, in order to expand its sphere of influence, used aircraft and navy vessels to rush the KMT troops into the northeast, actively helping them take over the three major cities and the Zhongchang Road. Under such circumstances, the possibility of our occupying the three major cities and the Zhongchang Road in order eventually to occupy the northeast was, at the time, nonexistent. However, there were adequate conditions for occupying the medium-sized and small cities, as well as the vast countryside on both sides of the Zhongchang Road, and this was very necessary, too. Based on this understanding, on 29 November 1945 he coordinated the drafting of North Manchuria Subbureau leaders' telegram to the Northeast Bureau, with copies to the center. In this telegram, the following principle suitable for that time was put forward: "We should not focus all our attention on the three major cities. Instead, we should concentrate necessary armed forces, and should strike the KMT forces whenever possible in the forefront of Jinzhou and Shenyang to win as much time as possible. In the meantime, we should distribute other armed forces and cadres to north, east, and west Manchuria, including the vast countryside, small- medium-sized cities, and the strategic locations along feeder railway lines in a planned, active, and speedy manner, so as to mop up the reactionary forces and bandits, eliminate traitors, mobilize the masses, expand our forces, transform local governments, and establish vast, consolidated bases on the periphery of the three major cities and on either side of the Changchun railway artery." This recommendation was quickly acknowledged by the center and was incorporated into the instruction entitled "To Build a Consolidated Northeast Base" drafted by Comrade Mao Zedong for the center on 28 December of the same year.

During the "Great Leap Forward" period, the target for steel production was raised again and again. The Wuchang Conference and the Sixth Plenary Session

of the Eighth CPC Central Committee targeted steel output for 1959 at 18 to 20 million metric tons. At the time, Chen Yun had been criticized in the campaign against the "opposition to rash to advance" for "being only 50 meters away from being a rightist." After the "Great Leap Forward" began, he was considered a "right-leaning conservative," so he was already in a very undesirable position. Nevertheless, in total disregard of his personal gains or losses, he challenged this target many times, and suggested not publishing the steel, coal, grain, and cotton output targets to the outside. At the beginning of 1959, when Comrade Mao Zedong talked to him, he still insisted that the production target for that year would be impossible to accomplish. At the Shanghai Conference and the Seventh Plenary Session of the Eighth CPC Central Committee in March and April, Comrade Mao Zedong expressed appreciation for Comrade Chen Yun's viewpoints. He pointed out that those correct viewpoints had not been given due regard, which was why our work was in grave passivity. The conferences lowered the targets and set the steel production goal at 18 million metric tons, of which the output of high-grade steel was to be 16.4 million metric tons. After the conferences, Comrade Mao Zedong was still not quite sure of this target, so he instructed Comrade Chen Yun to do some special research to find out if it was all right. Comrade Chen Yun devoted all his attention and spent nearly 10 days on an in-depth and meticulous investigation, and came up with a steel production target of 13 million metric tons, including 9 million metric tons of high-grade steel. The center accepted his recommendation and adjusted the yearly steel production plan. It later turned out that actual steel output that year was 13.87 million metric tons, with 8.97 million metric tons of quality rolled steel. Faced with extremely difficult and complex circumstances, Comrade Chen Yun stood by the principle of seeking truth from facts, handled this thorny issue properly, and contributed greatly to a stable economy and market.

After the "Gang of Four" was smashed, the chief comrade in charge of the party center at that time pursued the wrong principle of "two whatevers," and blocked the way for Comrade Deng Xiaoping's resuming work and for the redressing of the case of the 1976 Tiananmen Square incident. During the Central Work Conference in March 1977, Comrades Chen Yun and Wang Zhen spoke separately at their panel discussions, and pointing out firmly that the vast majority of the masses taking part in the Tiananmen incident were mourning Premier Zhou, and that Comrade Deng Xiaoping had nothing to do with that incident, so his position in the central leadership should be rehabilitated. The person in charge of compiling the conference bulletin asked Comrade Chen Yun to remove some so-called "sensitive" phrases. Chen

made it clear to him: Whether you publish my speech in the bulletin is up to you, but my words cannot be changed. In the end, his speech did not appear in the bulletin. Nevertheless, because of the very high prestige that Comrade Chen Yun had developed over a long period, his speech spread without legs, and contributed greatly to the resolving of these two major issues facing our party after the "Gang of Four" had been smashed.

At the central work conference prior to the Third Plenary Session of the 11th CPC Central Committee in 1978, the chief comrade in charge of the party center, in order to continue to pursue his "two whatevers" principle, restricted the conference's topic to economic issues only. Standing up to this pressure, Comrade Chen Yun once again proposed at the panel meeting that in order for the focus of the party's work to be shifted to socialist construction, some leftover problems with great influence and affecting extensive areas should be solved first. He listed six major issues, including the injustices involving Comrade Bo Yibo and 60 comrades, and the miscarriage of justice involving Comrade Tao Zhu; the rehabilitation of Comrade Peng Dehuai's reputation; the redress of the case of the Tiananmen incident; and the serious mistakes of Kang Sheng. As all these matters were key issues related to the "Great Cultural Revolution" and the earlier "left" mistakes, his speech, after appearing in the bulletin, sparked heated responses from the delegates, and the atmosphere of the conference immediately became very active. With the concerted efforts of the delegates, these issues were solved one by one, making this conference one of mental emancipation and bringing order out of chaos. After that, at the closing session, Comrade Deng Xiaoping made the important speech "Liberate the Mind, Seek Truth From Facts, and Look Ahead in Unity." It was because of these important changes that the Third Plenary Session of the 11th CPC Central Committee could be convened successfully.

Comrade Chen Yun believed that the ability to clearly distinguish between right and wrong, the courage to adhere to principles, and the spirit of not being afraid to offend people when necessary are all major issues concerning party conduct. It is necessary to encourage the spirit of adhering to principles and being clear about right and wrong. Only when there is an atmosphere of adhering to principles and making a clear distinction between right and wrong can there be a foundation for the party's unity, can the party have strong fighting capabilities, and can the overall social mood turn for the better. In this respect, Comrade Chen Yun set an example for us with his own actions.

III

Just as Comrade Chen Yun's work style of seeking truth from facts was connected to his work style of adhering to the principles, his work style of seeking truth from facts also was connected to his democratic work style of listening to various opinions, especially differing opinions. During the Rectification Movement in Yanan, Comrade Chen Yun pondered over how to achieve seeking truth from facts, and summarized it as "exchange, comparison, and repetition." He said: It is easy for one to develop a bias when looking at an issue, while exchanging opinions with others to the extent possible can gradually make the previously biased opinion more rounded. If there is no different opinion, we can assume an opposite side that attacks our opinion in all directions, so that our understanding can be more complete. He also said: Money cannot buy those who hold opposing opinions. Only with opposing opinions can we make ourselves think. As Comrade Chen Yun considered listening to different opinions as a way to overcome one-sidedness and subsequently to achieve seeking truth from facts, the democratic work style found natural expression in him.

After the First Five-Year Plan got underway, the already very strained conflict between grain supply and demand in our country became further aggravated. To solve this contradiction, Comrade Chen Yun considered monopolizing the buying and selling of grain. After this basic concept was formed, he did not put it forward at once. Instead, he went on to consult the leaders of the relevant departments to find out if there were other methods. He also let those comrades working at his side try to refute his idea, so that any defect of his method in the implementation could be detected. After repeated comparison, he came to the conclusion that monopolizing buying and selling was the only choice. It would involve some risk, but he was willing to take the responsibility. After adequate considerations, he formally recommended it to the party center, where it won immediate affirmation and support.

Encouraging philosophical studies among the cadres was what Comrade Chen Yun consistently believed in. After our country entered the new historical period, he time and again suggested this to the party center. On the eve of the 13th National CPC Congress, he was thinking: Under the new circumstances, the whole party still faces the urgent task of learning to apply the stand, viewpoints, and methodology of Marxism-Leninism-Mao Zedong Thought to analyze and solve problems. He hoped that the party center would first organize the comrades in the Political Bureau, the Secretariat, and the State Council to study philosophy, and would regard it as part of their work. With this idea, he first exchanged

ideas with five or six leading comrades, then told his idea to the doctor in charge of his medical care. He had a long talk with this comrade for two hours. He said: Doctors are intellectuals, and by talking to them I can learn the intellectuals' opinion on this issue. Only after these consultations did he put forward his suggestion to the chief leading comrades in charge of the party center at that time.

Comrade Chen Yun was happy to listen to different opinions, and was also very careful to protect cadres who put forward different opinions. In order to encourage everyone to cast away misgivings, he always told cadres talking to him: When speaking before him, anyone could be "left" to the extent of "left-leaning opportunism," or right to the extent of right-leaning opportunism, because as far as he was concerned, nothing was taboo. He said: "It is inevitable that one may say something wrong when one speaks. Never saying anything wrong is impossible. Within the party, saying something wrong is nothing to worry about, but if nobody says anything, this really is a cause for concern. If Communist Party members are unable to conduct criticism and self-criticism, and everybody comments on the weather whenever they meet, I do not think anyone will take part in the revolution or be willing to become a member of such a Communist Party." During the Second Five-Year Plan, the party center, considering the water shortage in northern China and the big water flow in the Chang Jiang, started to deliberate on diverting water from south to north. Comrade Chen Yun said to the leading comrades of the Water Resources Ministry and to the leading comrades of the relevant localities: The diversion of water from the south to the north concerns the interests of our future generations. This project must go ahead, but we must be careful about it when it goes ahead and about which route should be followed. We must let those comrades who disapprove of this project express their opinions fully. To help those comrades stop their worries, he suggested setting up dedicated post boxes for the south-to-north water diversion project in all the cities along the eastern, central, and western routes, through which they could air their opinions.

In cherishing cadres, Comrade Chen Yun also displayed a distinct characteristic: when certain cadres were in a difficult situation owing to various reasons, he could speak for them and stand up for them. When in Yanan, a cadre was accused of being a Trotskyite and was expelled from the party. This person appealed to the Central Organizational Department and offered four witnesses, one of whom was abroad. Comrade Chen Yun instructed the relevant department to write letters to all four of those witnesses, and a two-month investigation revealed that the comrade in question

had been wronged. When commenting on this case, Comrade Chen Yun said: When trying to solve a cadre's problem that concerns his political career, we must be very serious, very cautious, and very careful. Spending two months' time and saving a cadre could not be more worthwhile because it is absolutely impossible to bring up a cadre within two months. As for the injustice involving Comrade Pan Hannian [3382 3352 1628], he time and again proposed re-examining his case. Before undergoing a major surgical operation in 1979, just in case something unexpected happened, he wrote a letter especially to some comrade in charge of the party center discussing this matter, expressing his wish that the re-examination could be stepped up. After the Third Plenary Session of the 11th CPC Central Committee, because a few leading cadres who had made mistakes by actively implementing the "two whatevers" policy failed to satisfy their examiners despite repeated self-criticism, Comrade Chen Yun pointed out at a plenary session of the Central Committee: "I do not approve of this never letting go of comrades who have made mistakes in the past. I do not think this endless self-criticism is a good work style for the party." Those comrades finally got through because Comrade Chen Yun spoke up for them.

IV

Both before and after the founding of the People's Republic, Comrade Chen Yun always set great store by the issue of party conduct. Especially after the CPC became a ruling party, he repeatedly admonished the whole party to guard against divorcing itself from the masses. He said that this matter concerned whether the party would lose popular support, as well as the party's survival or demise. He demanded that party cadres at various levels adopt a mass viewpoint in their work, and that they set an example of honesty and self-discipline. He practiced what he preached. He set an example for the whole party and was truly a paragon.

During the three years of hardship, aside from concentrating his energies on restoring agricultural production as soon as possible, Comrade Chen Yun also devoted much attention to studying contingency measures for solving the problem of supplies of nonstaple foods in cities. At that time, because of shortages of meat and eggs, urban residents were undernourished and many people suffered from edema. Comrade Chen Yun learned that the minimum daily nourishment a person needs is 70 grams of protein, and that 0.5 kg of grain contains 45 grams of protein, 0.5 kg of vegetable contains five grams, and the remaining 20 grams of protein could be made up for with 50 grams of soybeans. At that time, China had an urban population of 100 million, and it was perfectly possible to provide 1.5 billion

kg of soybeans each year. He therefore proposed that 50 grams of soybeans per person per day be supplied to the 60 million people in large- and medium-sized cities across the country, in addition to 0.25 kg of fish and 0.25 kg of meat per person per month. He said: The publics want to see if the Communist Party cares for them or not, and whether it has the means to solve the problems affecting their livelihood. This is a political issue.

In the early 1980's, three incidents especially reflected Comrade Chen Yun's work style of always thinking about the masses and doing practical things for them. They left a deep impression in us.

Incident number one: One day in late May of 1982, Comrade Chen Yun read a story entitled "Theater Entertainment Far Away From Children of the Capital City" in a corner of page eight of RENMIN RIBAO. The story said that because Beijing Children's Theater was in poor repair and had been suspended from use, millions of children in the capital city had no access to theater entertainment. He said to his secretary: This story was written for central leaders to read, and is an appeal to us from comrades in the educational field. Their idea is good and deserves support. He immediately wrote a letter to the Central Committee and State Council leaders, suggesting that on the 1 June Children's Day, all cinemas and theaters of cities and towns around the country and all auditoriums of institutions and enterprises should be opened to children free of charge. As 1 June was just round the corner, he especially wrote "extra urgent" on the envelope.

Incident number two: In July that year, the letter that a teacher of Beijing Aeronautics College wrote to the Central Secretariat's Research Office and the report prepared by the investigation group of the National Committee of the Chinese People's Political Consultative Conference on the materialization of the policy toward intellectuals both indicated that middle-aged intellectuals were under heavy burdens in terms of livelihood and career, their income was low, and many of them were suffering from worsening health. After reading them, Comrade Chen Yun immediately wrote a letter to the Central Committee's standing committee in which he pointed out: This is a big problem of our country. We must be very determined to solve it within two years. We cannot carry on as planned before. Every year, we spend over 50 billion yuan on capital construction. Why can we not spend a couple of billion yuan and solve their problems? We should consider the improvement of their working conditions as a project of capital construction, and a project of basic capital construction at that. By spending money on middle-aged intellectuals, we will be using the best steel to make the knife's edge.

Incident number three: In September 1984, when Comrade Chen Yun learned that the number of those leaving senior middle school and applying for enrollment in teachers' colleges and schools was decreasing, he instructed relevant leading comrades to pay special attention to the treatment of teachers. Some practical and practicable methods should be worked out to help teachers, especially middle school and elementary school teachers, to raise their social status and solve their real-life difficulties, such as housing problems, so that teaching could truly become one of the most respected and admired professions. Soon after that, he once again instructed: The pay scale for middle school and elementary school teachers should be "slightly higher than the pay scale of those engaged in other professions with the same qualifications." He also set an example by encouraging his own daughter, who had graduated from a teachers' college, to leave the big organization she had been working with and become a teacher in a middle school.

While caring for the masses at all times, Comrade Chen Yun was always very strict with himself. As early as in the Yanan period, he raised the slogan of "starting from self, starting from now" and vigorously advocated the work style of matching word to deed. He always made a clear distinction between public and private interests, even on trivial matters. He was a lover of Suzhou ballads. One time, he asked his secretary to record two pieces of Suzhou ballad-singing at the Shanghai People's Radio Station. After making that request, he took out two blank cassette tapes and asked the secretary to give the tapes to the radio station. He set himself a rule of not accepting any gifts, and instructed his assistants that they must report to him if someone brought him gifts, and that they could not accept them without reporting them first. One year in the fall, two leading comrades from a military region came to his residence to report to him on a recent military maneuver. They brought with them two boxes of grapes from their region. When they had finished reporting and rose to say goodbye, Comrade Chen Yun told them to take the grapes back. He said: I am secretary of the Central Commission for Discipline Inspection; I cannot accept this gift. They explained that the grapes were not worth much money, and were only for him to try, not as a gift. He said: In that case, I will try 10 grapes, and I will call that "the perfection of 10" [Chinese idiom denoting perfection in every possible way]. The rest you can take back. After Comrade Chen Yun's selected works had been published, his secretary asked him what to do with the remuneration. He said: Put all of it toward my party membership fee. His secretary suggested putting it in a bank account first, and donating it to a school or some other undertaking in the future. He accepted this

suggestion and later contributed his remunerations to the newly founded North China Ballad-Singing School and the Hope Project.

Comrade Chen Yun's private life could best be described as "eating humble fare and wearing coarse clothing." All his shirts were patched, and there was one vest that he had worn for over 40 years. He ate very simple meals, making no exceptions, even on festive occasions. One time when he was on a trip, the local reception department prepared a feast for him. When he found out, he was very displeased and insisted that they cancel it. He refused to eat anything until the feast was replaced by his usual course of one meat dish and one vegetable dish. He was also very frugal about articles of daily use. When in Shanghai during the last Spring Festival, he was still using the leather suitcase he had used during the Yanan period. He had a razor. The blade holder was bought before he went on a secret trip from Shanghai to the Soviet Union in September 1935. He bought the blades in the Soviet Union. Three blades lasted 10 years and the blade holder lasted until he passed away!

While maintaining a low standard of living, Comrade Chen Yun was very diligent and studious in his study and work. When in Yanan, in order to study theories well, he organized a study group in the Central Organization Department that studied while working and persisted for nearly five years. During the "Great Cultural Revolution," he was sent to Jiangxi for the claimed purpose of preparing for war, to conduct the so-called "on-the-spot investigation." He did not pack many of his articles for daily use, but instead packed the *Selected Works of Marx and Engels*, *Das Kapital*, the *Complete Works of Lenin*, the *Selected Works of Stalin*, the *Selected Works of Mao Zedong*, and the *Complete Works of Lu Xun*. For nearly three years, apart from attending group discussions in factories and inspecting rural areas, he spent all his time reading at home. He was particularly interested in Lenin's works on new economic policies and democratic life within the party written after the October Revolution, and pondered in great depth over China's economic system and the party's democratic centralism in the context of reality.

Doing everything by himself was another of Comrade Chen Yun's consistent work habits. When in charge of the Central Organization Department, the Northeast Bureau, and the Central Financial Commission, he personally drafted many documents, reports, telegrams, and even editorials, let alone his own speeches, which he never asked his secretaries to write. After he had reached a vulnerable age, though some scripts had to be drafted by his secretary according to what he wanted to express, he always went through them carefully, word by word, and revised them. It is because of this habit of

his that when one reads his works, one always feels that they are not only deep and thorough in the discussion of issues, but also vividly and succinctly written, with a unique style.

Comrade Chen Yun became a standing committee member of the Political Bureau of the party's Central Committee as early as before the Red Army's Long March, and was one of the top leaders of the party and state after the founding of New China. All his life, however, he was humble, prudent, and indifferent to fame and wealth. In 1951, the Soviet Government gave China five "Jisi [0679 2448]" deluxe bullet-proof cars. The relevant department decided to distribute them among the five secretaries of the Central Committee. One day, when he discovered that his car had been replaced with a "Jisi," he insisted that he have the previous car back. He said: I cannot consider myself the equal of Chairman Mao, Premier Zhou, Commander in Chief Zhu, and Comrade Shaoqi. He had the same attitude toward his salary grade. When the supply system was replaced by the salary system, the relevant department graded all five secretaries of the Central Committee as Grade 1. When he saw the report, he changed his grade to Grade 2. He never wanted to take part in any reception or foreign affairs-related activities that he did not have to participate in. He disapproved all propaganda on himself. He would reject any article or book promoting his image that was submitted to him for comments.

There is much more of the party's fine work style embodied in Comrade Chen Yun, and this memoir is but a fraction of it. Now, though he has left us forever, his fine work style, like the three volumes of his selected works, is a precious spiritual asset he has left for us. In our deep mourning, we should conscientiously study his fine work style, carry it forward, and promote it. Comrade Chen Yun forever lives in our hearts.

(Note: The following persons contributed information to this article: Qiu Chunfu [6726 4783 3940], Jiang Lianmu [5592 6647 4476], Zhang Xianwen [1728 2009 2429], Wu Guoliang [0702 0948 5328], Yang Naizhi [2799 0035 2535], and Xiao Guanghua [5135 0342 5478].)

Committee Elects Liaoning Secretaries

OW2508165295 Beijing XINHUA in English
1500 GMT 25 Aug 95

[FBIS Transcribed Text] Shenyang, August 25 (XINHUA) — Gu Jinchi was elected here today secretary of the Liaoning Provincial Committee of the Communist Party of China (CPC).

Gu was elected at the first plenary session of the eighth congress of the committee.

Meanwhile, Shang Wen was elected today secretary of the CPC's Liaoning Provincial Commission for Discipline Inspection at the commission's first plenary session.

'Full Text' of Family Planning White Paper

OW2308170195 Beijing XINHUA in English
1101 GMT 23 Aug 95

[FBIS Transcribed Text] Beijing, August 23 (XINHUA) — The following is the full text of the white paper, Family Planning In China, issued today by the Information Office of the State Council of the People's Republic of China: Family Planning in China

Information Office of the State Council
Of the People's Republic of China
August 1995, Beijing

Contents Foreword I. A Strategic Policy That Suits National Conditions II. A Social Undertaking That Benefits the People III. Combination of State Guidance with Voluntary Participation by the Masses IV. Bringing the People to a Common Level of Understanding V. Satisfying the Reproductive Health Needs of People of Child-Bearing Age VI. Optimization Through Reform and Development VII. The Correct Choice for Human Rights Protection Concluding Remarks

Foreword

Excessive population growth is an extremely serious problem facing the contemporary world. Each minute, the earth's population is increased by 160 people. In face of this problem, the UN Population Fund sounded a warning to the international community: Lacking prompt and determined moves to control population and maintain a balance between consumption and development, the world population would be 12.5 billion people by the middle of the next century and humanity [will] be unable to develop further.

The global emergence of the population question poses a serious challenge to many countries and regions. For a populous developing country like China the challenge posed by the population question not only has a bearing on the survival and development of the Chinese nation but also affects the stability and prosperity of all human society.

How is China taking up the challenge to deal with this problem? Why has China adopted the strategic policy of carrying out family planning? What policies and

measures has it taken to implement its family planning program and what results has it achieved? We shall introduce the problem and provide some answers.

I. A Strategic Policy That Suits National Conditions

The population problem is an important question that touches upon the survival and development of the Chinese nation, the success or failure of China's modernization drive as well as the coordinated and sustained development between the population on one hand, and the economy, society, resources and environment on the other. It is a natural choice that the Chinese government has made to implement family planning, control population growth and improve the life quality of the population a basic state policy on the basis of a wish to make the state strong and powerful, the nation prosperous and the people happy. [sentence as received]

After the founding of the People's Republic of China, due to the stability of the society, the development of production and the improvement of medical and health care conditions, the people lived and worked in peace and happiness. The death rate was reduced markedly, while the population increased rapidly, thus the situation then was characterized by more births, fewer deaths and high growth. It should be pointed out that this was an inevitable phenomenon at that time. But, just as the international community then was not responding promptly to the question of swelling global population, China lost the chance to solve the problem of over-rapid population growth in the first birth peak period after the founding of New China.

In the 1960s, China's population entered its second peak birth period. From 1962 to 1972, the annual number of births in China averaged 26.69 million, totalling 300 million. In 1969, China's population exceeded 800 million. Beginning from the 1960s, the contradiction between the population on one hand, and the economy, society, resources and environment on the other had become gradually apparent. In view of the situation, the Chinese government issued a call for family planning and advocated the use of contraceptives. However, as there was still the lack of a deep understanding of the seriousness of the population problem and the government still had not worked out a clear population policy, family planning was not effectively carried out throughout the country.

From the early 1970s, the Chinese government had become increasingly deeply aware that the over-rapid growth of population was unfavorable to economic and social development and decided to energetically carry out family planning in both urban and rural areas and integrated the plan for population development into the plan of national economic and social development.

Consequently, family planning work entered a new phase of development.

At the end of the 1970s, Deng Xiaoping, the chief architect of China's reform and opening to the outside world, made an in-depth analysis of China's basic national conditions on the basis of the experience and lessons of socialist construction since the founding of the People's Republic, pointing out that, to accomplish the goal of the four modernizations in China, it was imperative to take into consideration the basic features of the Chinese environment, that is, the vast scale of the country, its weak foundation, its massive population and the low ratio of cultivated land, and this demonstrated the objective need for the development of population to be coordinated with the development of the economy, society, resources and environment. The major contribution Deng Xiaoping made to the solution of China's population problem is: To study and deal with the population problem in the overall context of the national economic and social development and clearly points out that China's population policy is an important policy of strategic significance. In accordance with Deng Xiaoping's thinking, the Chinese government has made it a basic state policy to carry out family planning and population control and to improve the life quality of the population, and has clearly incorporated it in The Constitution of the People's Republic of China, thus establishing the important position of family planning program in China's overall task of national economic and social development.

By February 15, 1995, China's population had reached 1.2 billion. Over the past few years, the annual births have averaged about 21 million, with a net annual population increase of 14 million. Such massive total population and annual population growth constitutes a heavy burden for China, a country that has a weak foundation and little cultivated land, whose economic and cultural level is rather backward and where development is regionally imbalanced. The negative impact of China's over-abundance of population has permeated all aspects of social and economic life; in fact, many difficulties China has encountered in its economic and social development are directly related to the problem of population. What is most important is: The massively increased population has given rise to contradictions at a deep level between population on one hand and resources and environment on the other. This is the fundamental reason why China has been vigorously carrying out its family planning policy.

Over the vast territory of China, the space suited for people to live and engage in economic activities is limited and population distribution is extremely uneven. Plains and hilly land account for 12.0 percent and 9.9

percent respectively of China's total land area, totalling only 21.9 percent, while basins, mountains and plateaus account for 18.8 percent, 33.3 percent and 26.0 percent each, adding up to 78.1 percent. Many of the mountain, plateau, hilly and basin areas are unsuited for living. China's humid and semi-humid areas, appropriate for living, account for only 47 percent of the total land mass, while the arid and semi-arid areas account for 53 percent. Now, 94 percent of China's population live in the eastern part, which accounts for 46 percent of the country's territory, particularly in the southeastern region where the natural environment is better and the economy is relatively developed. The State Statistical Bureau estimates, on the basis of data collected in the third national census in 1982, that 20.3 percent of China's population live in areas over 500 meters above sea level, whereas in the world's population as a whole, only 10 percent live in areas over 400 meters above sea level. At present, there are still 70 million people in China living below the poverty level, of which the majority live in the western region where the geographic environment is harsher. Obviously, the poverty of the population is closely related to their poor living conditions. Besides this, China's per-capita average of forested land, grassland and freshwater resources amounts to only one-ninth, one-third and one-fourth of the respective world averages. "Food is the first necessity of the people." To solve the problem of feeding a population of 1.2 billion is a big challenge to China. Now, cultivated area in China accounts for only one-tenth of its territory. In contrast, cultivated land in India accounts for 55 percent of its territory, with a per-capita average twice that of China. Although cultivated land in the United States makes up for only 20 percent of its territory, still its per-capita average is nine times that of China. The greatest pressure on China's agriculture, particularly grain production, is the continuous growth of the population and incessant shrinkage of the cultivated land. The United States and India, as well as China, are all major grain-producing nations in the world. Though its cultivated land is less than the United States and India, China ranks first in the world in terms of grain output; its per-unit grain yield is much higher than the world average. But, as China's population is almost five times that of the United States, its per-capita share of grain is less than one-fourth of the latter. In 1993, despite a bumper harvest witnessed in China's production, the per-capita share of grain was only 387.3 kilograms. Forecasts show that China's per-capita share of grain will remain at the low level of less than 400 kilograms of crude grain for a long time due to the continued growth of the population size in the future. If China fails to effectively check the over-rapid growth of the

population and alleviate the great pressure wrought by the population growth on cultivated land, forests and water resources, an ecological and environmental deterioration will become inevitable in the coming decades, profoundly endangering the minimum living conditions of the overwhelming majority of the Chinese people as well as the sustainable development of their society and economy.

On one hand, China's abundant labor force is of course conducive to development. On the other, however, it will be considerably difficult to tackle the problem of employment of a continuously growing labor force under the shortage of funds and the relative insufficiency of resources. Now, nearly 20 million young people reach working age in China every year, and most of them need jobs. The surplus labor force in China's rural areas has reached 120 million, and by the year 2000 the rural surplus labor force will exceed the 200 million mark. Although the state has adopted various measures to open up channels for employment and satisfactory results have been achieved, there are still considerably large amounts of people who are in the plight of job-waiting or recessive unemployment. Only by resolutely controlling the population growth while making energetic efforts to develop the economy and create new employment opportunities can it be possible to make the growth of the work force fall in step with the demand of the economic development for the work force. Despite continuous improvements in China's overall national strength, the rapid pace of economic development, and the leap of China to the world's front rank in gross national product since the adoption of reform and opening to the outside world, the country's per-capita gross national product still lags behind in the world and remains lower than the average level of the developing countries because of its huge population. Owing to the excessively rapid population growth, the state's accumulation has become relatively less, funds that can be invested in educational, medical and health care and other social services are limited, and there are significant difficulties in further improving the people's cultural quality and health level, particularly the life quality of the massive rural population and the population living in areas haunted by poverty.

It is precisely for bringing about a sustained economic growth and sustainable development, satisfying the daily increasing material and cultural demands of the whole people, and guaranteeing the fundamental and long-term interest of the current generation and their posterity, that the Chinese government has chosen the strategic policy of family planning. Facts have proved and will continue to prove that, while making energetic efforts to develop the economy, the comprehensive promotion of family

planning was the correct policy decision, taken in China since the latter half of the 20th century, which bring benefits to the present and constitutes a meritorious service for the future.

II. A Social Undertaking That Benefits the People

China's reform and opening to the outside world as well as its economic development has created a favorable socio-economic environment for family planning, while the achievements of family planning have in turn created a favorable population environment for the continuous development of the economy, the improvement of the people's living standards as well as the overall progress of society.

1. Family planning has effectively checked the trend of over-rapid population growth.

In the 15 years from the founding of the People's Republic to 1964, China's population increased from 500 million to 700 million, and on average 7.5 years were needed for the population to increase by 100 million. The 1964-74 period was one of high-speed growth where China's population increased from 700 million to 900 million in ten years, and the time needed for the population to increase by 100 million was shortened to five years. In 1973, China began to promote family planning throughout the country. China's population increased from 900 million to 1.2 billion in the period from 1973 to February 1995, and the time needed for the population to increase by 100 million was again lengthened to around seven years. China has been through the third post-1949 peak period of births from the beginning of the 1990s, the community of women in their prime of fertility (aged 20 to 29) has exceeded 100 million each year on average, and such a huge child-bearing community has a great birth potential still. But, because China's current population and family planning programs and policies have won understanding and support from the people, the fertility level of the population has steadily reduced and the trend of over-rapid population growth has been effectively checked along with the country's economic and social development. Compared with 1970, in 1994 the birth rate dropped from 33.43 per thousand to 17.7 per thousand; the natural growth rate, from 25.83 per thousand to 11.21 per thousand; and the total fertility rate of women, from 5.81 to around 2. Now, China's urban population has basically accomplished the change-over to the population reproduction pattern characterized by low birth rate, low death rate and low growth; and the rural population is currently in this process of change-over. According to statistics supplied by the United Nations, China's population growth rate has already been markedly lower than the average level of other developing countries. According to calcu-

lation by experts, if China had not implemented family planning but had all along kept the birth rate at the level of the early 1970s, its population would possibly have passed the 1.5 billion mark by now. Over the past two decades and more, China's promotion of family planning has created a population environment conducive to reform and opening to the outside world and socio-economic development as well as the population conditions for safeguarding the survival and development of China.

2. Family planning has promoted the change of people's concepts regarding marriage, birth and family.

Since the implementation of the policy of family planning in China, profound changes have been taking place in people's concepts of marriage, birth and family along with the reform and opening to the outside world as well as socio-economic development; the traditional ideas of "early marriage and early births," "more children, greater happiness," and "looking up on men and down on women" are being discarded by more and more people at the child-bearing ages. Late marriage and late births, fewer and healthier births, viewing male and female children as the same, establishing happy, perfect and harmonious small families and seeking a modern, scientific and civilized way of life have become an irresistible trend of the times. The rate of early marriage for women has come down and their average age at first marriage has gone up. In 1992, the proportion of women entering first marriage before the age of 20 dropped to 12.9 percent of the total number of first-marriage women. In 1970, the women's average age at first marriage was 20.2 years, while in 1993 it was 22.67 years, up 2.47 years. The family size has become gradually smaller and the nucleus family is becoming the major form of modern Chinese families. According to China's fourth national census, the average size of families in 1990 was 3.96 persons, 0.88 persons less than the 4.84 persons in 1971. The major reason for the reduction of family size is a reduction in the number of births. Compared with 1970, of the babies born in 1993 the first-birth rate and second-birth rate increased from 20.7 percent and 17.1 percent to 61.3 percent and 27.5 percent respectively, and the multiple-birth rate dropped from 62.2 percent to 11.2 percent. By 1994, a total of 46.76 million couples had volunteered to give birth to only one child throughout the country, accounting for 20.3 percent of the total married women at child-bearing age. At the current level of economic development and living standards in China, the reduction of family size and fewer children to support have obviously reduced the economic burden and the burden of family chores on the families and improved their quality of life.

3. Family planning has created favorable conditions for the development of China's economy and the improvement of people's living standards.

In vigorously promoting family planning, China strives to make the speed of population growth much lower than the speed of growth in the gross national product, thus gradually raising the per-capita level. Apart from the reform and opening to the outside world, family planning has been a factor for the sustained economic development of China and the steady improvement of its people's living standards over the past ten years and more. From 1952 to 1978, China's gross domestic product (GDP) increased 4.7-fold. The per-capita GDP, however, increased by only 2.8-fold. From 1978 to 1994, while upholding reform and opening to the outside world and making great efforts to develop the economy, China persisted in doing a good job in family planning. In this period, the GDP went up 4.2-fold and the per-capita GDP increased 3.4-fold. During the same period, thanks to improvements in the quality of people's lives and the rise in their purchasing power, China's consumer goods market expanded 13.7-fold, and the total retail sales volume of consumer goods increased by an annual average of 17.2 percent. In 1994, the total volume of retail sales of consumer goods in China was 1,605.3 billion yuan. China has become a market with the greatest potential in the world. Compared with 1978, living standards have markedly improved, the urban people's per-capita incomes for living expenses increased 10-fold, at an annual increase of 15.5 percent; the per-capita net incomes for rural families went up 9-fold, at an annual increase of 14.8 percent. In Chinese cities and towns, the per-capita housing increased from 3.6 square meters to 7.5 square meters, and in the rural areas it increased from 8.1 square meters to 20.8 square meters. For the overwhelming majority of families, the basic needs of living, such as food, clothing, daily-use articles and housing, were met. The possession rate of durable goods, such as TV sets, cassette tape recorders, refrigerators and washing machines, approached the level of the moderately developed countries.

4. Family planning has promoted the improvement of the quality of the Chinese population in terms of education and health as well as the overall development of the people.

China's family planning has always included the two aspects of controlling the population size and improving the population quality in terms of education and health. While making efforts to control the population at an appropriate size, the Chinese government has devoted great attention to developing educational, medical and other services in order to continuously improve the quality of the population in terms of education and

health. Prior to 1949, the mortality rate was as high as 20 per thousand, while by the end of the 1970s it had dropped to below 7 per thousand. From 1949 to 1990, the life expectancy rose from 35 years to 68.55 years — 66.84 years for males and 70.47 years for females, making China a country where the life expectancy increased most rapidly. Great improvements have been witnessed in the basic facilities for public health in China. Throughout the country, the average number of hospital beds for every 10,000 people increased from 13.3 in 1970 to 23.6 in 1994, and the average number of professional medical workers and technical workers in the field of medicine for every 10,000 people went up from 17.5 in 1970 to 35 in 1994. The incidence of various contagious diseases has markedly dropped. The diet of urban and rural people throughout the country has greatly improved, the per-capita daily calorie intake has reached 2,600 Kcal. [kilocalories] and that of protein has reached 75 grams, having reached or approaching the world average levels. Health care for women and children has continuously expanded. Now, family planning as well as maternity and child care networks have been basically formed in China's urban and rural areas. The mortality rate for babies dropped from 200 per thousand prior to the founding of the People's Republic to 35 per thousand in 1990, the death rate of expectant and new mothers was 94.7 per 100,000, and the rate of planned immunity for newborn babies reached 85 percent. The major indexes of people's medical care and health have already far outstripped countries at the same level of economic development, and the gap with the developed countries is being gradually narrowed.

The Chinese government has taken education as a strategic key for the country's development, and great progress has been made in this field. China is now accomplishing the goal of nine-year compulsory education in a planned and systematic way. In 1994, the enrollment at schools, at various levels and of various kinds throughout the country, already reached 270 million, the schooling rate of school-age children reached 98.4 percent, the illiteracy rate of young and middle-aged people dropped to 7 percent, made primary education universal in areas with 91 percent of the country's population, the major cities and some of the developed regions basically popularized junior middle school education, and infant education as well as the special education for handicapped children developed steadily. Secondary vocational and technical education developed quickly, and enrollment has reached 8.446 million, accounting for 56 percent of the total number of students at the level of senior middle school. Countrywide, over 200 million farmers have received various kinds of education in general knowledge and practical skills.

5. Family planning has further liberated the female productive forces and helped improve the status of women.

Family planning in China has extricated women from frequent births after marriage and the heavy family burden, further liberated and expanded the social productive forces latent in women, and provided them with more opportunities to learn science and general knowledge and take part in economic and social development activities, hence greatly promoted the improvement of the Chinese women's status in economic and social affairs as well as in their families.

The employment rate of women has steadily increased and sphere of employment has continuously expanded. By the end of 1992, the number of female staff and workers had reached 56 million in China, accounting for 38 percent of the national total of staff and workers and representing a 24.1 percent increase over the 45 million in 1985. In the 1979-88 period, the growth rate of employment for urban women had always been higher than that for men, with the average annual increase standing at 4.9 percent, 1.27 percentage points higher than the average annual increase of all staff and workers countrywide. The overwhelming majority of Chinese women live in the countryside, and they are the major force of the agricultural production and diversified economy in the country. They are that part of the population to benefit most from the policy of family planning. In 1989, a move of "double learnings" (of general knowledge and techniques) and "double competitions" (in achievements and contributions) was launched in China's rural areas, appealing to 120 million rural women. Of this total, more than 90 million received training in practical techniques, over 15,000 were cited as model women workers at and above the provincial level, more than 510,000 were given the title of farmer technician, and 1.067 million scientific and technological demonstration households, with women as the major body, came to the fore. In China's rural areas, some 40 million women are employed in township enterprises, accounting for 47 percent of the total work force in these enterprises.

Family planning has provided women with more opportunities to receive education and is conducive to raising their educational qualities. At present, the average schooling for adult women in China's urban areas totals 9.97 years. Of these women, those who have received education of senior middle school or higher account for 56.3 percent; those who have received junior middle school education account for 33.3 percent; and those who have received primary school education account for 8.3 percent; and those who are illiterate and semi-illiterate account for only 2.1 percent. From the

previous generation, however, those with senior middle school education and higher account for only 9.1 percent; those with junior middle school education, 11.1 percent; those with primary school education, 24.5 percent; and illiterates and semi-illiterates, 55.3 percent. For adult women in the rural areas, those with senior middle school education or higher make up for 8.9 percent; those with junior middle school education, 26.6 percent; those with primary school education, 27.9 percent; and illiterates and semi-illiterates, 36.6 percent. For the previous generation, those with senior middle school education or higher account for only 0.5 percent; those with junior middle school education, 1.9 percent; those with primary school education, 9.0 percent; and illiterates and semi-illiterates, 88.6 percent.

6. Family planning has accelerated the process of eradicating poverty in rural China.

In China's poor areas, economic and cultural backwardness and too many births often interact as both cause and effect. The Chinese government has taken an important step in giving support to the development of poor areas to alleviate poverty by promoting family planning, holding population growth under control, and raising the life quality of the population in those areas. Since 1978, the state has adopted a series of measures to make those living below the poverty line drop from 250 million to 70 million in 1995. The Chinese government has combined the solution of the problem of the portion of society living under the poverty level with family planning to free families from the vicious cycle of "the poorer they are, the more children they give birth to, and the more children they give birth to, the poorer they become." In this respect, marked achievements have been obtained. In the community that has extricated themselves from poverty, farming households that have implemented family planning are often in a clearly advantageous position.

The positive impact produced by family planning on Chinese society is wide and profound. With the passing of time, the benefits of family planning, for the people and for posterity, are bound to be more apparent.

III. Combination of State Guidance With Voluntary Participation by the Masses

Due to its vast territory, large population and the great differences between regions, urban and rural areas and ethnic groups, the promotion of family planning in China is a highly complicated task.

When working out the policies of population and family planning, and the objectives of population control in accordance with the actual conditions in the country, the Chinese government took into consideration the needs

of the social and economic development of the state and its long-range interests, as well as the actual conditions of different regions, ethnic groups and social strata, the people's wishes and attitudes, to combine state guidance with voluntary participation by the masses.

The combination of state guidance with voluntary participation is an important principle China has always followed since the implementation of the family planning policy and is the fundamental guarantee of success for the family planning program as well. The main manifestations of state guidance include: The central and local governments, in accordance with the national conditions and people's will, and through legislative procedures, have formulated the policies, laws and regulations concerning the control of population growth, the improvement of the life quality of population and the optimization of the population structure; worked out the macro population development plan, and integrated it in the overall plan for national economic and social development; placed population control and family planning on the government's major agenda, organized and coordinated all relevant departments and mass organizations to draw up and implement the programs on population and family planning, and provided necessary funds and conditions to guarantee the needs of both uses; and, through extensive and in-depth publicity and education all over the country provided guidance and services to all couples and individuals in terms of reproductive health care, contraception and birth control, healthy child birth and rearing to help them in proper arrangement of family planning.

Voluntary participation is mainly manifested in the fact that, under the guidance of the state's relevant policies and legislation, the right of all couples and individuals to carry out family planning is protected and respected. While exercising their right of child bearing, couples and individuals must take into account their responsibilities and duties to the state and community, and the health and happiness of the family and all its members. On the basis of effective information, advice and services and in accordance with the age, health, work and family economic conditions, couples and individuals can arrange for pregnancy and child bearing in a responsible and planned way, and select proper contraceptive methods so as to have healthy children and happy, progressive families

A family planning policy that conforms to the state's actual conditions and embodies classified guidance is an important component part of exercising state guidance. The main contents of the current family planning policy in China are: Advocating delayed marriage and delayed child bearing, fewer and healthier births; and advocating one child for one couple. Some rural couples with actual

difficulties are allowed to give birth to a second child a few years after the birth of the first child. The national minorities are also required to practice family planning, and concrete demands and approaches to the policy are decided by each autonomous region or the province in which the national minorities live. There are practical differences in the family planning policy between urban and rural areas, and between the Han and the ethnic minorities, i.e., the policy for rural areas is more flexible than for urban areas; for national minorities more flexible than for the Han people. Each province (autonomous region or municipality) will formulate the corresponding policy and regulations in accordance with the state's policy and the actual local conditions and form its local legislation through legal procedures.

One child for one couple is a necessary choice made under China's special historical conditions to alleviate the grim population situation. One child for one couple does not mean to "have one child" under all circumstances, but rather, encouraging couples to have only one child, to plan arrangements for couples who have real difficulties and need to have a second child to do so. In China's cities and towns where family planning was introduced earlier and the economic, cultural, educational, public health and social security conditions are better, the overwhelming majority of couples of child-bearing age who are pleased with a small family have responded to the government's call and volunteered to have only child. In 1990, of the non-agricultural population in China's urban localities, the total fertility rate of women dropped to 1.26, or 1.05 lower than the nation's average figure. In the countryside, the total fertility birth rate of women was 2.8.

China is a multi-ethnic country, the population of the national minorities making up about 8 percent of the country's total. To raise the economic and cultural levels of the national minority areas and improve the life quality of the population, since the early 1980s the Chinese government has also advocated family planning in the areas inhabited by national minorities, except for Tibet and sparsely populated minority areas. The concrete policies are worked out by the national minority autonomous areas and the relevant provinces and autonomous regions according to specific local conditions. In general, a couple in agricultural and pastoral areas is allowed to have two children; and a more flexible policy is adopted to farmers and herdsmen with actual difficulties.

Since the founding of New China, the population growth rate of the national minorities has been not only higher than that before Liberation, but also higher than that of the Han people in the corresponding period. The total population of the national minorities increased from 35

million in 1953 to 91.32 million in 1990. Between 1982 and 1990 after the practice of family planning in the areas inhabited by minority people, the population of the national minorities increased by 35.81 percent, or 3.27 times the growth of the Han population in the same period.

The state has imposed no specific requirements on Tibet in family planning. In 1985, the People's Government of the Tibet Autonomous Region, in view of the actual population growth there, began to advocate family planning among Tibetan cadres, workers and staff, encouraging each couple to voluntarily space two births at reasonable intervals. Among the broad masses of farmers and herdsmen, the government has mainly educated them in child-bearing knowledge, advocated healthier birth and child-rearing practices, improved health care for women and children, and provided contraceptives and birth control technical services to those who volunteer to practice birth control. No policy restrictions have ever been imposed on the number of births in the agricultural and pastoral areas. The fourth national population census in 1990 revealed that Tibetan people in the Tibet Autonomous Region numbered 2.0967 million, making up 95.48 percent of the total population in Tibet.

China encourages fertile married couples to select contraceptive methods of their own accord under the guidance of the state; and offers various preferential treatments in daily life, work and many other aspects to families who volunteer to have only one child, helps them to solve difficulties in their lives and work and creates conditions for them to become better off as soon as possible. Assessments are imposed on multi-birth families to enable society to bring up their children. This represents both a restriction on having too many childbirths and an obligation of those responsible to pay a certain compensation to society. Assessments for this purpose are made according to local legislation, but the amounts thus collected must in no way affect the family's basic livelihood and their needs in keeping up production and management. All funds so collected will be used to further family planning. Practice has proved that China's current policy on family planning conforms to the fundamental interest of the people throughout the country; meanwhile it also takes into account part of the people's wishes and attitudes. Hence the policy has won understanding and support from the people of the whole country and has guaranteed the success of the family planning work.

IV. Bringing the People to a Common Level of Understanding

The traditional child-bearing viewpoints formed in long years of Chinese history still profoundly affect people's attitudes to child-bearing; in particular a certain distance still exists between the viewpoints and will of a number of rural people and the state's demands for controlling population growth. Without the people's awareness, family planning can hardly be practiced. Therefore, the Chinese government attaches great importance to educating the people to practice family planning of their own free will and strives to create the economic and cultural conditions for people to change their child-bearing viewpoints.

The publicity and education of family planning conducted in China according to its actual conditions and the population situation have made the whole society see that to control the rapid population growth is its responsibility and its urgent task. From the 1980s, all regions of China began one after another the activity of "doing accounts and making contrasts," during which people were organized to do accounts and make contrasts of the national and local changes after the founding of New China in terms of the population growth, per-capita cultivated land, grain supply and income, education, employment, housing and transportation, the differences in living standards between the families with more children and those with fewer children, and the benefits of family planning to the state and people. The activity has played an active role in helping people see clearly the nation's actual situation and practice family planning of their own accord.

Since 1987, China has put into practice the plan on popularizing the basic knowledge of population and family planning, with the rural areas as the key points. At present, a number of villages and neighborhoods have set up population or marriage education schools. The people at different child-bearing ages and those in different situations may obtain scientific knowledge of population, childbirth, contraception and birth control, maternity and child care through the lectures or advice given by doctors, teachers and cadres. Then they may practice family planning more conscientiously. For instance, in Tieling City located in the northern mountain areas of Liaoning Province, whose agricultural population makes up 80 percent of the total, more than 700,000, or 95 percent, of the couples of child-bearing age received education from 1987 to 1991. In the past, of the city's annual new-born babies, about 10 percent were born to parents who married early and had children early; and the rate of births with genetic defects reached nearly 15 per thousand because of the marriage between close relatives, or hereditary and endemic diseases. Af-

ter education, the percentage of the people who married early and had children early dropped to below 1 percent and the birth defect rate, to below 8 per thousand in 1991. Now 92 percent of the couples of child-bearing age in the city have adopted birth control measures of their own accord.

Cadres at all levels taking the lead in practicing family planning has exerted great influences among the people all over the country. For instance, each of over 50,000 cadres and Party members in Rudong County, Jiangsu Province, has exemplarily implemented the state's family planning policy. Under their influence, the broad masses of the people actively respond to the government's call and practice family planning of their own free will.

The activities of family planning associations in all areas have also played an important role in publicity and education. Consisting of people from all walks of life who are interested in family planning, these associations are mass organizations with an extensive social basis. Up to now, all 30 provinces, autonomous regions and centrally administered municipalities as well as the overwhelming majority of the cities, counties and grass-roots units have set up their family planning associations, totalling more than one million with approximately 80 million members. Their members keep in close touch with the broad masses of the couples of child-bearing age. A family planning work situation with self-education and self-management as the mainstay is being formed step by step.

China makes full use of newspapers, radio, television, publication, theater, music, local performances and schools to educate people about family planning. In addition, it has also set up a family planning publicity and education network reaching all parts of the country. In the late 1980s, all provinces, autonomous regions and centrally administered municipalities and the cities with economic planning directly supervised by the State Council (except Tibet Autonomous Region) set up regional family planning publicity and education centers one after another, which produced more than 1,600 television programs and video tapes, and numerous publicity materials of various kinds. By 1994, two administrative officials' colleges, eight secondary professional schools and 26 provincial training centers had been founded as part of the national family planning system. Each city, county, and township has a family planning service station focused on publicity and education; and all residents' and villagers' committees have a member responsible for propagating birth control education. Educational institutions of higher learning and research institutes in China also take an active part in training and research in population and birth control.

The China Population Society, the China Population Culture Promotion Society and other organizations have also played an active role in organizing demographers, literary and art workers and people from all walks of life to participate in family planning work.

Publicity and education, which has resulted in the common understanding and conscientious participation of hundreds of millions of people, is the fundamental guarantee of the successful implementation of family planning in China.

V. Satisfying the Reproductive Health Needs of People of Child-Bearing Age

While advocating family planning, China has mainly focused on contraception. Providing family planning information, consultation and services is an important measure in promoting family planning. The Chinese government attaches great importance to meeting the various and multi-level needs of people of child-bearing age by relying on progress in science and technology, and the study and development of the methods of family planning and contraception. In addition, the government has also established family planning and maternity and child care service networks throughout the country to provide people of child-bearing age with safe, effective and convenient services of family planning and reproductive health care, thus ensuring the smooth expansion of family planning.

Back in the 1960s, China embarked on scientific research on contraception, and soon made a large number of achievements, which were popularized all over the country. In the 1980s, China formulated the program for the scientific and technological development of family planning, and has formed an initial, geographically rationally distributed system for family planning scientific research and the production of contraceptives. China has produced contraceptive and birth control technological services providing a great variety of methods for people to select as they wish. China leads the world in the research on male contraception techniques, some of which have been listed as the ones to be promoted by the World Association of Voluntary Surgical Contraception (AVSC). China has also made quite a number of important achievements in research of female contraception techniques, some of which have been extensively used in China and abroad. China has been included among those advanced countries in the development of contraceptives. While improving the quality of existing contraceptives, China is sparing no effort to develop safer, more effective, more convenient and cheaper contraceptives. To meet the demands of people of child-bearing age for contraceptives, the state has organized more than 40 factories and invested nearly 200 million yuan in the

production of various contraceptives every year. Now the production of contraceptives in China has basically become self-sufficient.

To ensure that people of child-bearing age can receive required services at any time and in any place, China has established countrywide family planning service networks consisting of hospitals, maternity and child care centers and family planning service stations. Following the principle of catering to grass-roots units, going deep into the countryside, offering services to people's doorsteps and providing conveniences to the people, family planning workers provide people of child-bearing age with guidance, advice and services, and help them select favorable contraceptive and birth control methods according to their health and needs. In light of the actual conditions in rural areas, women of child-bearing age there with one child are encouraged to use intrauterine device and either the wife or husband of a couple with two children is encouraged to undergo sterilization, which are safe and effective contraceptive measures favorable to the protection of women's health. Therefore they are more easily accepted by rural couples of child-bearing age. As to those couples who are unsuitable or unwilling to accept such measures, family planning workers guide them to select other contraceptive measures according to their needs. At present, more than 200 million married couples of child-bearing age in China have adopted contraceptive measures, making up about 80 percent of the country's total.

Starting from the 1960s, China distributed contraceptives free of charge, and exempted and reduced the fees for birth control technical services. Since 1988, China has implemented the system of combining the supply of free contraceptives with retail sales in the market, thus widening the supply channels, providing conveniences to the people, satisfying their needs and raising the utilization rate of contraceptives. To ensure that people can get contraceptives in time, specialized organs have been set up or special personnel assigned for this purpose from the provincial and city down to the township and village levels.

The Chinese government is against promoting induced abortion as a means of family planning. China allows women who require induced abortion to have such an operation under safe and reliable conditions. Along with the popularization of the scientific knowledge of family planning and the extensive adoption of contraceptive measures, the number of induced abortions has been on the decline in many places. When China's birth rate drops sharply, the annual ratio between the number of new-born babies and that of induced abortions has retained at around 1:0.3, equivalent to the medium level in the world.

To guarantee the health of babies and mothers, China has made efforts to improve medical and health care conditions and strengthen health care services for women and children while doing a job in family planning. Consequently, the improvement of women's and children's health has also promoted family planning. China has set up health care networks for women and children all over the country. Several thousand maternity and child care centers provide various services, including the general survey, prevention and treatment of women's diseases, consultation on hereditary diseases, examination before marriage, health care for pregnant and postpartum women, new delivery methods, health care for babies and young children, etc. The family planning departments in many places have initiated health-care-at-childbirth services for couples of child-bearing age. In spite of their comparatively backward medical and health care conditions, the health care and family planning departments in some economically underdeveloped regions have organized people to provide services to the people at their doorsteps to protect women and children's health, so that they are highly acclaimed by the people.

VI. Optimization Through Reform and Development

Practice has shown that China's population and family planning program has been crowned with success. But we should also clearly see that there is still imbalance in development in various areas, instability in fertility levels in many regions, and the high birth rate in others. The working style and service level concerning family planning in most rural regions especially in some economically underdeveloped areas, remain to be improved. In the process of establishing the socialist market economic system, family planning work is faced with a new situation and new problems. There are also problems in the quality and structure of the population that should not be neglected. These problems include the high sex ratio and the growing population that is aging. Therefore, China's still confronted with a severe challenge on issues of population and development. To carry out family planning and population control, and improve population quality remains an arduous and urgent task of strategic significance. The reform targeted at establishing a socialist market economic system in further promoting the development of a social productive force. At the same time, it has created favorable social and economic conditions for optimizing the family planning work the Chinese government will unswervingly continue to carry out the basic national policy of family planning, and promote a coordinated development between population and the economy, society, resources and environment. On the one hand,

we will adhere to and continually improve the basic experience that suits China's specific conditions and that has proved effective in practice; on the other hand, we should adapt ourselves to the new situation, emancipate the mind, seek truth from facts and unceasingly deepen the reform, to improve the level of family planning work. The practice of pursuing family planning mainly through administrative means and campaigns in some areas must be resolutely changed, the emphasis should be put on the publicity and education, contraception and regular work. Quality service in family planning should be provided to the people of child-bearing age, particularly the reproductive health care for women, to protect their health. The publicity, education and the management of family planning program should serve the purpose of serving people's production, livelihood and fertility. With this in mind, the "Program of China's Family Planning Work (1995-2000)" was formulated by the Chinese government at the end of 1994, setting clear demands on the task, target, principle and measures in deepening the development of family planning work.

The Chinese government holds that the issue of population is fundamentally one of development. The population is closely and inseparably related to economic and social development. Therefore, China always considers population and family planning an important component part of the strategy for the sustained national economic and social development, and they are planned and implemented together with economic and social issues.

Since China's reform and opening to the outside world, the development of national economy, science, technology, education, public health and social welfare has played an active and promotive role in changing people's concept of fertility and in lowering the birth rate. This role is particularly evident in areas where the economy has developed rapidly. As economic development and population control promote each other, these areas have seen a transition, in a relatively short period of time, to the modern population reproduction pattern characterized by a low birth rate, low death rate and low natural growth rate. As for poverty-stricken areas where the economy is relatively backward, since the 1980s, the Chinese government has formulated a comprehensive strategy in regard to the overall planning, comprehensive management and coordinated development in population, grain, ecology and resources. It has carried out extensive activities to help the poor in their development and integrated these activities with family planning, vigorously accelerating the economic and social development in these areas.

On the basis of summing up experience of history and the innovations of the people, the Chinese government in recent years has stressed that the rural areas should

combine family planning with developing economy, helping peasants to become better-off through hard work, and building progressive and happy families. Through providing service to peasants in production, livelihood and fertility, and above all through helping families practicing family planning to become better off, more and more families were guided to have less children and to improve their financial situation as soon as possible. This practice has won warm support from governments at all levels, cadres at grass-roots level and the people. In a relatively short period of time, this work has been implemented in most of the provinces, autonomous regions and municipalities throughout the country. This is not only good for accelerating rural economic development, increasing peasants' income, and improving their living standard, and promoting rural economy, but can also make them realize, in their immediate interest, the benefit of having less children, gradually changing their attitudes towards fertility, heightening their awareness of and enthusiasm for carrying out family planning. Rural women not only take an active part in these activities but they also benefit mostly from them. Through these activities, they have enhanced their enthusiasm for production, increased their income from labor, improved their status in both the family and society and obtained greater independence in marriage and childbirth.

In order to fundamentally and comprehensively solve China's population problem, comprehensive measures have to be adopted. Such measures include vigorously developing the economy, getting rid of poverty, protecting the ecological environment, rationally developing and utilizing resources, popularizing education, developing medical service and maternal and child health care, improving the social security system — especially the insurance system for the aged, steadily advancing urbanization, improving women's status, and guaranteeing the legal rights and interest of women. Over the past few years, the Chinese government has formulated plans, policies and measures in these fields, providing a more favorable environment for the implementation of family planning.

The Chinese government and the society as a whole have paid close attention to the recent tendency of the high sex ratio. The problem will be gradually solved through heightened publicity and education, and measures have been taken to guarantee the legal rights and interest of women and children; to severely prohibit, except when called for medically, the technical examination of fetus for determining sex followed by selective abortion; and to improve birth report and statistical system.

The Chinese government strongly believes that the problems that have appeared in the course of implementing China's family planning program will be solved steadily in the process of reform and development, before it can be gradually improved and perfected.

VII. Correct Choice for Human Rights Protection

In the practice of carrying out family planning program, while persistently proceeding from its reality and taking into full account and observing principles and regulations concerning population and family planning formulated by international institutions and organizations, the Chinese government has gradually set up guiding principles, policies, measures and methods that reflect the basic interest and various rights and interest of the people, and has continuously improved these as the actual situations change, so as to better safeguard the right to subsistence and development of the Chinese nation.

It has been China's consistent stand and principle in international exchange and cooperation to fully respect the sovereignty of all nations, and not to interfere with the internal affairs of other nations. The "Program of Action" of the International Conference on Population and Development adopted by the conference in Cairo, 1994, pointed out: "The formulation and implementation of population-related policies is the responsibility of each country and should take into account the economic, social and environmental diversity of conditions in each country, with full respect for the various religious and ethical values, cultural backgrounds and philosophical convictions of its people, as well as the shared but differentiated responsibilities of all the world's people for a common future." Only by proceeding from the reality of the country, independently setting up its population policy and target, as well as plans and measures to realize this target, can the population problem of each country be effectively solved. Positive results of solving population problem through international cooperation can only be achieved under the premise of respecting the sovereignty of each country, and by adopting the attitude of mutual understanding and the seeking of common ground while preserving differences. As the national situation, the degree and pattern of social and economic development, cultural habits and values, and the specific characteristics of the population problem in each country differ, there will be differences in the plan and dynamics of problem solving in each country, which is a normal phenomenon. Not only has China never imposed its ways and ideas of solving its own population problem on anyone else, but it has, instead, always understood and welcomed all good-intentioned criticism and useful suggestions from outside. However, some people, distorting or disregarding the basic facts, have

made improper comments on China's family planning program, criticizing it as a "violation of human rights," and denouncing it as "inhumane." They have even tried to impose their values and ideas on China, using the excuse of "protecting human rights" to put pressure on China and to interfere in China's internal affairs. This is totally unacceptable. Any such practice of interfering in China's internal affairs has not only deviated from the basic principle set up in the field of population by the international community, but it has also violated the established principles of international law, which either help promote a healthy development of China's family planning program or the stability of the world's population.

China has always held that concepts of human rights are a product of historical development, closely related to social, political and economic conditions, as well as the individual nation's particular history, culture and concepts. The realization and optimization of human rights is a historical process. A citizen's right of choice in reproduction is also part of this process.

The great changes in the world population situation in the mid-twentieth century, the rapid world population growth and the severe consequence ensuing have aroused increasing attention from the international community and various countries. The contradiction between population on one hand and survival and development on the other is especially sharp in developing countries with a fast population growth. Irrational international economic order, stagnant economic and social development, and the pressure of a large population have continually widened the gap between developed and developing countries in terms of welfare and living conditions, increasing rather than decreasing the number of those living below the poverty line. With recognition of the seriousness of the population problem and the urgent need to control population growth, people's understanding and attitudes towards reproduction and other associated rights have changed, responding to new historical conditions, becoming more comprehensive. The "World Population Plan of Action," approved at the International Population Conference held in Bucharest in 1974, states: "Individual reproductive behavior and the needs and aspirations of society should be reconciled.... [ellipses as received] All couples and individuals have the basic right to decide freely and responsibly the number and spacing of their children and to have the information, education and means to do so; the responsibility of couples and individuals in the exercise of this right takes into account the needs of their living and future children, and their responsibilities towards the community." The "Recommendations on Further Implementing the World Population Plan of Action," approved

at the 1984 International Population Conference held in Mexico City, again emphasized that "Any recognition of rights also implies responsibilities." Accordingly, when couples and individuals exercise their right to the choice of reproduction, they should "take into consideration their own situation, as well as the implications of their decisions or the balanced development of their children and of the community and society in which they live." The "Recommendations" point out that "governments can do more to assist people in making their reproductive decisions in a responsible way." The "Program of Action" adopted at the International Conference on Population and Development held in Cairo in 1994 once again points out that "these (reproductive) rights rest on the recognition of the basic right of all couples and individuals to decide freely and responsibly the number, spacing and timing of their children and to have the information and means to do so, and the right to attain the highest standard of sexual and reproductive health.... [ellipses as received] In the exercise of this right, they should take into account the needs of their living and future children and their responsibilities towards the community. The promotion of the responsible exercise of these rights for all people should be the fundamental basis for government — and community-supported policies and programs in the area of reproductive health, including family planning." Family planning in China is pursued in complete accordance with the relevant principles and human rights requirements designated by the international community. China's family planning policies and programs combine citizens' rights and duties, joining the interest of the individual with those of society. These conform to the basic principles outlined at the various international population conferences and have been established on the basis of the relationship of interpersonal interest under socialism. Never in any country are rights and duties absolute, but rather, they are relative. There are no duties apart from rights, or rights apart from duties. When there is conflict between social needs and individual interest, a means has to be sought to mediate it. This is something that the government of every sovereign country is doing. As China has a large population, the Chinese government has to limit the number of births of its citizens. This is a duty incumbent on each citizen as it serves the purpose of making the whole society and whole nation prosperous, and it is not out of the private interest of some individuals. This is wholly justifiable and entirely consistent with the moral concepts of Chinese society. To talk about citizens' rights and duties out of reality in an abstract and absolute way does not hold water either in China or in any other country. In a heavily populated developing country like China, if the reproductive freedom of couples and individuals are un-

duly emphasized at the expense of their responsibilities to their families, children and societal interest in matters of child bearing, indiscriminate reproduction and unlimited population growth will inevitably ensue. The interest of the majority of the people, including those of new-born infants, will be seriously harmed.

We should see that in China, especially in rural, backward and remote areas, there is a gap between the desire for childbirth of some couples of child-bearing age and the demand of the present family planning policy, and shortcomings of one kind or another are unavoidable in family planning work. However, as the family planning policy fundamentally conforms to the interest of the majority of the Chinese people and, during its actual implementation, the actual difficulties and reasonable demands of some people have been taken into consideration and the legal rights and interest of the citizens are strongly protected, the family planning policy has won understanding and recognition from the broad masses of the people. Through long period of practice, the Chinese people have realized more and more deeply from their practical interest that family planning is a cause that benefits the nation and the people, and they have increasingly come to understand and support this cause. After unremitting efforts, including drawing useful experience from other countries, the management level and service quality of China's family planning program have continually been improved and the shortcomings and problems in its actual work have been remarkably reduced. We believe that all those who do not seek to hold prejudice will respect this basic fact.

Concluding Remarks

China is home to more than one-fifth of the world's population. It thoroughly understands the responsibility it bears in stabilizing world population growth and the essential role it should play. Family planning as an effective solution to China's population problems is more than just responsibility towards the well-being of the Chinese people and future generations; it is a duty owed to maintaining the stability of the world population. Working for the common interest of all humanity, at the same time working for individual interest of each nation, the international community and each nation should work together to solve the population problems facing individual nations and the entire world. This will promote development and progress in every country and throughout human society.

Twenty-one years have passed since the First International Population Conference was held in Bucharest in 1974. The government of each nation and the international community as a whole have made new progress in implementing the "World Population Plan of Action"

and the "Mexico City Declaration." The rate of increase in world population has been further slowed. Still, world population continues to increase by 90 million per annum, and it will reach 6.25 billion by the end of the century and 8.4 billion by 2025. Control of world population remains an urgent and difficult task. China, as always, will continue to work in concert with all the nations of the world to carry out the "Program of Action of the International Conference on Population and Development" and make positive contributions to stabilizing world population and ensuring a happier future for mankind.

CPPCC Organizes Forum on 21st Century

*OW2808065195 Beijing XINHUA in English
0625 GMT 28 Aug 95*

[FBIS Transcribed Text] Beijing, August 28 (XINHUA) — An organizing committee was formed here today for a forum on the prospects for the 21st century.

The committee is under China's top advisory body, the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

The forum, set up in line with a decision by the annual session of the CPPCC this March, is designed to invited well-known figures, experts and scholars from both at home and abroad to discuss issues of human concern and the world development trends into the next century.

Li Ruihuan, chairman of the CPPCC National Committee, is the honorary chairman of the committee, with Vice-Chairmen of the CPPCC National Committee Ye Xuanping and Wu Xueqian as the organizing committee's co-chairmen.

The forum will host its first session in September next year, officials at the organizing committee said. The session will focus on the prospects for Asia, and China in particular, in the world of the 21st century.

Officials Review Facilities for UN Conference

*OW2708125895 Beijing XINHUA in English
1145 GMT 27 Aug 95*

[FBIS Transcribed Text] Beijing, August 27 (XINHUA) — Beijing, the venue of the UN Fourth World Conference on Women (FWCW), has got fully prepared for the conference, according to the final inspection by senior officials from FWCW China Organizing Committee this morning.

The officials, headed by Chen Muhua, Peng Peiyun and Xu Zhijian, expressed satisfaction with the preparations when they saw all facilities are ready and staff workers have taken their places at the main conference facilities

such as the International Convention Center, Press Center and Reception Center.

The officials first inspected offices and facilities prepared for the United Nations organizations at the International Convention Center, working offices for the conference and the main conference hall.

Then they inspected the telecommunications facilities at the press center, where they saw all facilities are ready and able to meet the demands of journalists from various countries.

The reception center located in the Beijing International Airport was the last stop of their inspection. The center has already begun receiving conference participants arriving from various countries.

The officials from the organizing committee also inspected such facilities as shopping, tourism, communications, and catering and religious services.

Military & Public Security

Liu Huaqing Addresses WWII Victory Meeting

*OW2808052695 Beijing XINHUA Domestic Service
in Chinese 1106 GMT 25 Aug 95*

["Excerpts of Speech Delivered by Comrade Liu Huaqing at a Discussion Meeting for Veterans of Beijing-Based Army Units Marking the 50th Anniversary of the Victory of the War of Resistance Against Japan on 25 August 1995" — XINHUA headline]

[FBIS Translated Text] Beijing, 25 Aug (XINHUA) — Comrades:

Today, some veterans of the Beijing-based army units that took part in the war of resistance against Japan gathered under the same roof to solemnly commemorate the 50th anniversary of the victory scored by China in its war of resistance against Japan. Looking back on those war years, cherishing the memory of the heroic deeds of martyrs, and reviewing the historical experience of the war of resistance, we are very agitated as we all feel deeply that what the country and its people are able to enjoy now are inseparable from the victory of the war of resistance against Japan. The Chinese people will never forget the meritorious services rendered by the CPC and the People's Army under its leadership during the war of resistance, the martyrs who laid down their lives for their country, and the contributions made by all patriotic soldiers, civilians, Hong Kong and Macao compatriots, overseas Chinese, and international friends to China's victory in its war of resistance.

The war of resistance against Japan was the greatest and the most heroic struggle for national liberation in

the modern history of China. At a critical moment when China's fate hung in the balance, Chinese communists with Mao Zedong as their representative raised high the banner of patriotism; initiated, helped to bring about, and persisted in a national united front against Japan; drew up an overall policy on the line of a full-scale war of resistance and a protracted warfare strategy; united all the forces that can be united; and waged a life-and-death struggle against the Japanese bandits. With the support of all the people of the world and the coordination of the antifascist alliance, the Chinese nation finally defeated the diabolical Japanese imperialists, scored the first sweeping victory in its resistance against foreign aggression since the Opium War, and made contributions to the victory of the world war against fascism which are never to be obliterated. As the most heroic undertaking of the Chinese nation's fight against aggression and its struggle for national independence and liberation, the war of resistance against Japan will go down in the annals of history forever.

The victory in the war of resistance against Japan is a victory of the entire Chinese nation and a victory of the united front against Japan initiated by the CPC. The CPC and the military and civilians who took part in the war of resistance under the CPC leadership were the mainstay of the war; they played a decisive role in its victory. Reviewing and summing up our army's historical experience in developing and expanding itself and defeating the powerful enemy despite its weakness is of extremely great significance to more successfully carrying forward our army's fine traditions and building ourselves into a strong, modern, regular revolutionary army.

Upholding the party's absolute leadership over the military is a fundamental principle in our army's building, which must not waver under any circumstances. In the eight-year war of resistance, our army firmly implemented the party's policy of national united front against Japan. It accepted the reorganization order and joined the ranks of the National Revolutionary Army. In the united front against Japan, our party has always upheld the principle of maintaining independence and keeping the initiative in its own hands and maintained the party's absolute leadership over the army. At that time, the Kuomintang used the opportunity of cooperation between itself and the CPC and the reorganization of the Red Army to deprive our party of its leadership and commanding power and did everything possible to restrict our army's growth. Our party waged a tit-for-tat struggle against the Kuomintang. The party Central Committee issued a specific order to the entire party and army: The party's leadership over the Red Army must be strengthened after its reorganization; the Red

Army must maintain and carry forward its traditions cultivated in the struggle of the last decade and firmly implement the party Central Committee's and the Central Military Commission's orders; and CPC members are not allowed to waver on this major issue of principle. The party persistently implemented in the Eighth Route Army, the New Fourth Army, and other people's armed forces a system of political commissars and political organs and strengthened political-ideological work. As a result, our army, which was always under the CPC leadership, implemented the party's line, principles, and policies on the war of resistance and triumphantly accomplished the lofty mission of national liberation. History has demonstrated that upholding the party's absolute leadership over the army should remain forever the soul of army-building and the foundation of victory.

Our army upheld the goal of serving the people wholeheartedly, and it consistently stood together with the people throughout the country. In the early period of the war, our army was poorly equipped and supply was difficult, while the Japanese Army was well-equipped and commanded strong material resources. A fundamental reason that our army was able to grow stronger with each battle and developed into a decisive force in the war's victory despite the great disparity in strength between itself and its enemy was our army's ability to proceed from the national and people's interests, implement the party's line on waging an all-out war of resistance, and win the earnest and vigorous support of the broad masses of the people. The broad masses did all they could to provide manpower and material support to our army. A moving scene of men and women, old and young, working together to support the war front could be seen everywhere. The military and civilians behind the enemy line shared a bitter hatred of the enemy and fought the battle side by side. As a result, the war of resistance was able to continue for a protracted period, the base areas continued to expand, and the people's armed forces kept growing. This fully shows that the richest source of power to wage war lies in the masses of the people. The masses will always be the soil for our army's growth, the foundation of its development, and the source of its strength.

Our army carried forward the revolutionary spirit of plain living and hard struggle and always maintained the political characteristics of a people's army. The extreme hardships and difficulties experienced by our army in its guerrilla warfare behind the enemy line had been seldom seen in either Chinese or world history. After the war of resistance entered a stage of strategic stalemate, the Japanese Army regarded our base areas as its primary target of attack. It concentrated its major forces to wage frenzied "mopping-up," "nibbling," and "clearing

up" campaigns and practiced the most brutal policy of "burning all, killing all, and looting all" and used a "prisoners' cage" policy to create a no-man's land. On top of this, the Kuomintang Government imposed military encirclement and an economic blockade against our army, placing it in the most difficult predicament. To overcome the serious financial and economic difficulties, our army practiced economy on the one hand, treasuring every cent of money and every piece of material, while launching large-scale production drives. This developed into the well-known "Nanniwan Spirit." The reason our army became a steel-like unbeatable, irrepressible force in the difficult days of the war of resistance was that it possessed a revolutionary spirit that feared no hardships or difficulties and dreaded no enemies, no matter how strong they were. This revolutionary spirit was a reflection of the political characteristics of the people's army. This spirit was, still is, and will continue to be a superior strength that makes the people's army invincible.

The army waged a people's war and adopted a mobile and flexible strategy and tactics. Early in the early stages of the war, Comrade Mao Zedong, after scientifically analyzing the basic situation on the Chinese and Japanese sides and the patterns of war of resistance, put forward the strategic idea of waging a protracted war and formulated for our army the strategic policy of waging "essentially guerrilla warfare without relaxing mobile warfare under favorable conditions," and developed a complete set of strategies and tactics for waging a people's war. In accordance with the military guidelines laid down by Chairman Mao, our army combined our main forces, local forces, and guerrilla units and adopted tactics suitable to our army's characteristics. It subsequently won a major battle in the Pingxingguan and scored victories in the night attack on the Yangmingbao, the ambush at the Yanmenguan, the great 100-regiment battle, the battle for the defense of Fanchang, the Cheqiao Battle, and other famous battles. These victories dealt heavy blows to the insufferably arrogant Japanese aggressors and greatly enhanced the courage and confidence of the entire nation in waging the war. The magnificent battles fought in the rear areas engulfed the enemy in the boundless ocean of people's war. Mao Zedong's military thinking was developed and enriched in the war of resistance will forever remain our powerful weapon in guiding and winning wars.

Fifty years have passed since we scored victory in the war of resistance against Japan. Earth-shaking changes have taken place in both China and the rest of the world. While peace and development have become the main theme of the contemporary world, hegemonism and power politics have remained and the hostile forces pursuing a policy against China

and dividing up our country are still running wild. Safeguarding world peace and the country's sovereignty and territorial integrity are our army's lofty mission. Under the new historical circumstances, the entire army must regularly use the history of the war of resistance to educate the vast numbers of cadres and fighters, especially young officers and men, so that they will carry forward the fine traditions of our party and army, earnestly study and implement Mao Zedong's military thinking and Deng Xiaoping's thinking on army-building in the new period, firmly follow the command of the party Central Committee and the Central Military Commission, step up army-building in all fields, and make new contributions to performing our army's historical mission and building our country into a strong, modern, socialist country.

Jinan Military Region Reports Current Situation

SK2708022395 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 26 Aug 95

[FBIS Translated Text] On the afternoon of 25 August at the Bayi Assembly Hall, leading organs of the Jinan Military Region held a meeting to report on the current situation.

Leading comrades from department-level organs under the Jinan Military Region—including Du Tiehuan, (Liu Wenqian), Pei Huailiang, Hao Baoqing, Zhang Wentai, Zhao Jingtian, (Tan Yonglu), (Duan Biyun), and (Li Yonghua)—attended the meeting.

The meeting was chaired by Wang Wentai, deputy political commissar of the Jinan Military Region. At the meeting, (Liu Wenqian), deputy commander of the region, reported on the current situation to all office cadres.

He pointed out: The new situation has set forth higher demands for the quality and ability of the personnel within the organs in the region. All comrades of these organs in the region should have the awareness of suffering hardship; pay attention to changes in the international situation; always remain sober-headed; be prepared for danger in times of peace; strengthen strategic awareness; set their eyes on the overall situation to think over questions; strengthen their sense of mission; conscientiously and solidly implement the strategic policies set forth by the Central Military Commission in the new situation; vigorously strengthen ideological and political work among army units; realistically make good preparations for the military struggle; and make positive contributions to safeguarding the state's sovereignty, its maritime rights, the reunification of the motherland, and the stability of society.

Heilongjiang Sentences Criminals to Imprisonment
SK2808042295 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 25 Aug 95

[FBIS Translated Text] The provincial office for concentratively dealing blows to economic crimes and swindling activities issued a press release on 25 August to make public the court decisions on 18 criminals involved in 13 major cases submitted by Harbin, Daqing, Qiqihar, Jixi, Daxinganling, and the state farm department.

Recently, economic crimes have been rampant in the province, incurring huge economic losses to enterprises. Some economic crimes have even led enterprises to bankruptcy and drawn the masses to make trouble, thus seriously destroying the investment environment and endangering the social stability of the province.

Of the 18 criminals involved in the 13 cases under concentrative trials, 1 was sentenced to death, 12 were sentenced to life imprisonment, and 5 were sentenced to imprisonment of five years or more.

Criminal Han Wencheng was former manager of the (Qingda) Industry and Trade Company in Harbin city. From August to October in 1992, under the situation of being unable to honor contracts and having no guarantee, he signed false contracts on supplying spiral steel with (Jinghai) Industry and Trade Company in Haikou city and then with the Shenzhen Sales Exhibition Department, by using a privately engraved seal and the name of an authority of a certain enterprise. As a result, he gained 8.432 million yuan in Renminbi by fraud, of which, he squandered 632,000 yuan. In the final trial, the Harbin city intermediate people's court sentenced Han Wencheng to life imprisonment on charges of fraud, with his political rights deprived for life.

Criminal Man Youhui was the former manager of (Li-hui) Limited Corporation in Harbin city. In December 1994, he lied about having a large quantity of corn for sale in an advertisement that was published all over the country in ECONOMIC COMMUNICATION and some other periodicals. As a result, he gained by cheating 1.006 million yuan in cash deposit from the grain and edible oil trade company in Jiangxi Province's Wanzai County. After the case was cracked, 626,000 yuan in illegal money and property was recovered. In the final trial, the Harbin city intermediate people's court decided to sentence Man Youhui to life imprisonment on charges of fraud, with his political rights deprived for life.

Criminal Tao Chuangzhu, together with his daughter Tao Qing, forged the business license and other documents of (Blite) Group Company in the United States, and

then established the Daqing (Blite) Bronzeware Limited Corporation, a Sino-foreign joint venture, with Daqing Machinery General Plant. Tao Qing served as president of the corporation, and Tao Chuangzhu served as vice chairman of the board of directors. In November 1992, Tao Chuangzhu lied that he could buy waste and old bronze materials in the United States, and then signed the agreement on buying waste bronze materials on a commission basis with Daqing (Blite) Bronzeware Limited Corporation in the name of (Blite) Company in the United States. As a result, 2.574 million yuan in economic loss was caused to Daqing Machinery General Plant. In the first trial, Daqing city intermediate people's court sentenced Tao Chuangzhu to life imprisonment on the charge of fraudulence, with his political rights deprived for life.

It has been learned that at the present stage of special struggle against economic crimes, public security organs in the province have received and handled 582 cases on fraudulence and seized 412 criminals, accounting for 42.6 percent of the criminals who should be seized. Procuratorial organs have already approved to arrest 57 persons, and some courts at the grass-roots level have also tried a number of swindlers. Thus far, some 180 million yuan worth's illegal money and property have been recovered.

On the morning of 25 August, Harbin city held an open trial to pronounce court decisions to 10 criminals, including Han Wencheng, Man Youhui, and Chen Bing.

Qinghai Secretary at Public Security Meeting
SK2508132395 Xining QINGHAI RIBAO in Chinese 12 Aug 95 p 1

[Report by Zhu Wenping (2612 2429 1627) "Deepen the Reform, Vigorously Grasp Public Security"]

[FBIS Translated Text] It was pointed out at the conference of directors of public security bureaus, which concluded on 10 August, that in coping with the current public security situation, we should enhance our sense of reform while reinforcing the dynamics in dealing blows at crimes and improve or enhance the managerial work in various fields of public security. Attending the conference were Tian Chengping, Zhang Meiyuan, Huanjue Cenam, La Bingli, Han Yingxuan, and Wang Guangren. Speaking at the conference were Yin Kesheng and Feng Mingang.

It was contended at the conference that we should correctly appraise the state of public security as well as should notice not only the stable public security situation created by most localities but also the serious problems existing in public security at present. The

masses in some localities are lacking the sense of security and various social circles have lodged a strong complaint about it. We should analyze in an objective and overall way the reasons for the bad situation of public security and should notice not only the inevitability of increasing public security problems under the new situation of turning the planned economy into the market one but also the problems existing in the fields of managerial systems, working methods, legal system construction, the dynamics of law enforcement, and the quality of political and legal personnel, all of which are not in conformity with the new situation. It was pointed out at the conference that in coping with the current public security situation, we should enhance our sense of reform while reinforcing the dynamics in dealing blows at crimes and should improve or enhance the managerial work in various public security fields. By regarding the "three advantages" as a criterion, judicial and public security organs should actively master the law of the market economy; work out the new methods and measures of guiding, serving, harmonizing, and managing public security; integrate the managerial work of public security truly with the systems of market economy; and should enhance their

capability of bringing under control and preventing violations and crimes. Specifically speaking, we should conduct reform and enhancement in the following five aspects: In order to meet the need of conducting public security management and of carrying out rapid response under the dynamic environment, we should establish the people's policemen patrol system as soon as possible. We should enhance the management of arms and ammunition so as to deal with the prominent problems of manufacturing and selling arms and ammunition. We should enhance the struggle against narcotics to prevent the increasing trend of criminal cases induced by narcotics. We should enhance the management over the cultural and recreation places and the cultural markets so as to block the space of criminal activities. We should eliminate the social ugly phenomena—including prostitution and going whoring—enhance the management over the floating population; and guide the floating population in an orderly manner so as to bring the active role of the floating population into play, to reduce the negative effect, and to prevent or deal blows at violations and criminal activities committed by a handful of people.

General

Li Peng Inspects Areas in Liaoning, Comments

OW2608134295 Beijing XINHUA Domestic Service
in Chinese 1100 GMT 21 Aug 95

[By reporters Zhu Youdi (2612 1635 2769) and Fu Xingyu (0265 5281 1342)]

[FBIS Translated Text] Shenyang, 21 Aug (XINHUA) — Premier Li Peng inspected the Northeast Binhai Hydroelectric Large Tools Processing Plant, the Bohai Shipyard, and the Suizhong Power Plant 20-21 August. Li Peng pointed out: The key to future national economic growth lies in changing the ways economic growth is achieved. Manufacturing enterprises should focus on exploring their potentialities and carrying out technical transformation. They must make the most of their existing production capability, rely on scientific and technological progress, and strengthen enterprise management to earnestly raise the manufacturing standards and development capacity.

The Northeast Binhai Hydroelectric Large Tools Processing Plant is China's large power equipment processing base. It has manufactured large power generating sets for Guangxi's Hongshui Heyantan Power Station and other Power Plants. Li Peng visited the plant's pier and dockyard and stopped at a workshop to inquire about the plant's production and the performance of large equipment used by power plants. He discussed with leaders, engineers, and technicians of relevant departments issues related to processing and shipping large tools used in the manufacture of large power generating sets for the Three Gorges Key Water Conservancy Project. He also discussed with them special technological transformation issues. Li Peng asked China's two large hydropower equipment manufacturing enterprises, the Harbin Power Station Complete Equipment Company and the Dongfang Electric Company Group, to carry out domestic and international cooperation, undertake joint designing and manufacturing, digest and absorb imported technologies, and carry out necessary technological transformation to raise China's hydropower equipment designing and manufacturing level, produce the world's first-rate super hydropower generating sets for the Three Gorges Project, and improve China's international competitiveness in the area of large power equipment. During his inspection of the Bohai Shipyard, Li Peng said: Military industrial enterprises have made great contributions to China's national defense. He urged them to continue their good work of converting from military to civilian production and make full use of their strong points to produce more civilian goods.

The Suizhong Power Plant is one of the key construction projects during the Eighth Five-Year Plan. It tops the nation in power generating capacity produced per unit. Its good economic performance has made the plant a key unit in Northeast and North China power networks. Li Peng inspected the construction site to find out about the pace of construction and the problems encountered. Li Peng said: The nation's infrastructure construction is excessively large, with investments being loosely scattered and economic efficient not very high. Localities and departments must proceed from general interests and concentrate their efforts on ensuring the construction of key projects. We must ensure that essential projects under construction are completed and put into operation as soon as possible. In arranging for and designing power projects, it is necessary to plan from a macroeconomic perspective and do everything possible to make the projects rational and scientifically feasible, the investments economical, and efficiency higher. He stressed: We must build infrastructure within our capacity. Construction must not be overextended.

Wen Shizhen, Cao Bocun, and other leaders of the Liaoning Provincial Party Committee and government accompanied Li Peng in his inspection tour.

After receiving a briefing from Liaoning provincial leaders on board the train, Li Peng said: Liaoning Province, as an old industrial base, has made major contributions to the country and supported its economic development. It still plays a decisive role in the nation's economy. Although it is facing many difficulties — such as sharpening structural contradictions, a heavy burden inherited from history, aging equipment, and lack of vitality and inability to meet to the needs of socialist market economy among some of the state-owned enterprises — overall the province still has many favorable conditions. As long as we have unity in understanding, work with one heart from the top to the bottom, and have effective measures, revitalizing Liaoning's old industrial base looks very promising. He urged Liaoning's comrades to concentrate their efforts on fighting a war of annihilation and work to complete several major tasks in a down-to-earth manner. Enterprises must successfully carry out technological transformation. The size of urban construction must be placed under control. Cultivated land must be protected well. Earnest efforts must be made to change the way the economy is growing and the economic model from an extensive one to an intensive one, so as to improve the economy's quality and efficiency. Special efforts must be made to promote key enterprises and areas to gradually change the looks of Liaoning's old industrial base.

Zhou Zhengqing, deputy secretary general of the State Council; and Guo Shuyan, Han Zhubin, Shi Dazhen, Yao Zhenyan, Bao Xuding, Lu Youmei, and Jiang Yunbao, personnel in charge of departments concerned, accompanied Premier Li Peng on his inspection.

Senior Official Comments on Restructuring Plan

OW2808035895 *Beijing XINHUA in English*
0239 GMT 28 Aug 95

[FBIS Transcribed Text] Beijing, August 28 (XINHUA) — China will restructure its enterprises in the Ninth Five-Year Plan period (1996-2000), according to a senior government official.

The investment focus will be on infrastructure and basic industries, he noted, and the nation will enhance the development of irrigation works, transportation, telecommunications, energy resources and important raw materials.

China is to build a number of airports, ports and super highways, and establish a top-grade telecommunications network. In the field of energy resources, both onshore and offshore oil exploitation will be boosted, and nuclear power will be given priority during the period.

Basic industries include machinery, electronics, automobile manufacturing, construction and petrochemicals.

Efforts To Bridge Economic Gap Detailed

OW2708152595 *Beijing XINHUA in English*
1459 GMT 27 Aug 95

[FBIS Transcribed Text] Beijing, August 27 (XINHUA) — China is busy making a guiding plan to boost the economic development in the central and western China in a bid to narrow the gap in economic development between its coastal and inland areas.

Song Yuansheng, deputy director of the Department of Land and Regional Planning under the State Planning Commission, said in a recent exclusive interview with XINHUA that in making the State Ninth Five-Year Plan (1996-2000) and the country's Social and Economic Development Program for the period before 2010, the Chinese government will try to shift the focus in capital investment, distribution of key construction projects and policy preferences to the central and western areas, which make up 89 percent of the country's territory and accommodate 64 percent of the country's total population, but are still less developed economically compared with the country's coastal or eastern areas.

The policy-oriented banks, Song said, will gradually increase the amount of preferential loans to the central and western areas and more investment will be put in these areas to help them improve their infrastructural

facilities and tap their rich natural resources. Besides, he added, efforts will be made to encourage overseas businessmen to invest in these areas.

The central and western areas of China refer to all the 18 economically underdeveloped provinces and autonomous regions apart from the three municipalities of Beijing, Shanghai and Tianjin, eight coastal provinces and of Hebei, Liaoning, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan, and a coastal ethnic autonomous region of Guangxi Zhuang Autonomous Region.

Owing to historical and geographical reasons, the central and western areas are still economically far behind the coastal areas and 90 percent of China's 70 million people still living under the poverty line are in the area.

"To bridge the gap is one of the toughest challenges for China in its drive to realize modernization of the entire nation and common prosperity of the whole people," said Hu Angang, a widely acclaimed expert in China's national conditions. "It is also one of the most harsh tasks the Chinese government is facing," Dr. Hu noted.

The Chinese government has always paid attention to make the economy in different areas of the country develop in a balanced way and considered it a long-term strategic task to gradually narrow the gap between the eastern and central and western areas.

As a matter of fact, the Chinese Government has made great efforts to support the underdeveloped areas while encouraging the coastal areas to speed up their economic development.

In accordance with the reality of the imbalanced economic development in different areas of China, Deng Xiaoping put forward the policy of encouraging and allowing some areas and some people to get rich first. However, he stressed at the same time that the final goal is to gradually realize common prosperity of the entire nation.

Statistics showed that in the past few years, the central government has allocated more than 20 billion yuan in budget to the underdeveloped areas and increased investment in infrastructural construction in the areas. From 1993 to 1995, eight billion yuan was poured in construction and upgrading of railways in northwest China alone and another 2.7 billion yuan was invested in construction of power plants in the region.

Besides, the central government has also shifted the focus of projects using loans given by the World Bank and the Asian Development Bank from the coastal areas to the inland areas. Henan Province in Central China

alone has utilized over two billion US dollars of loans from the World Bank in its nearly 30 projects.

In order to accelerate the development of township enterprises in the central and western areas, the central government has since 1993 allocated special loans for this purpose every year. In February this year, the State Council approved the program of setting up 100 model east-west-cooperation township enterprises in the central and western areas.

As part of the effort to eradicate poverty by the year 2000, the central government has added every year since 1994 one billion yuan worth of employment opportunities in place of granting relief and another one billion yuan of interest-so-deducted loans to help eliminate poverty.

The efforts by the Chinese Government has paid off. In 1994, the annual GNP growth rate in Anhui, Jiangxi, Hubei and Henan surpassed the national average growth rate of 11.8 percent. The GNP growth rate in Jiangxi Province in east China climbed to 16.5 percent, just 0.5 percent below that of coastal Guangdong Province.

With rich resources and bright prospects in agriculture, coal, oil, gasoline and nonferrous metals along with their vast market potentials and labor resources, the central and western areas of China has appeared more and more appealing to domestic and foreign investors. Some old industrial bases and state-owned enterprises in the areas are also promising once they are restructured and upgraded.

Despite the great potentials, it takes a relatively long period of time to tap these resources. Therefore, some economists here pointed out that there are still a lot to do in the task to narrow the gap between the central and western areas and the eastern coastal areas. They predicted that the gap between the eastern and central and western China will continue to widen in the coming few years, but the speed of the widening will slow down. A turning point may appear at the beginning of the next century. By 2010 when the eastern area enters a stage of steady economic development, the experts said, the central and western areas will enter a period of rapid economic development.

Ministry Urges Investigation of 'Little Coffers'

OW2708085895 Beijing XINHUA Domestic Service
in Chinese 1238 GMT 15 Aug 95

[By reporter Jiao Ran (3542 3544)]

[FBIS Translated Text] Beijing, 15 Aug (XINHUA) — The Finance Ministry, the Auditing Administration, and the People's Bank of China recently urged governments at various levels to thoroughly investigate the privately

established "little coffers" and to essentially check such unhealthy practices.

After hearing briefings from some localities and departments on checking the "little coffers" recently, the Finance Ministry, the Auditing Administration, and the People's Bank of China discovered that there are still a small number of localities and departments that lack both the full understanding of the exercise and effective organization and leadership.

Addressing these issues, the Finance Ministry, the Auditing Administration, and the People's Bank of China forwarded the following demands to relevant government departments at various levels:

1. Leaders of various localities and departments should enhance understanding on the ongoing investigations against the "little coffers" and take effective measures to ensure fulfillment of various missions. Localities and departments that fare poorly in the exercise, in particular, should conscientiously implement guidelines contained in the "Several Opinions and Notifications on Further Investigating the 'Little Coffers'" announced by the Finance Ministry, the Auditing Administration, and the People's Bank of China on 4 August, and double their efforts to make the exercise a success.
2. It is necessary to step up media publicity and psychological mobilization. Various news media should widely publicize typical cases of both the positive and the negative sides, giving strong credits to localities, departments, and units scoring high marks in this respect; and offering guidance and help to poor performers. Privately run "little coffers" with a serious nature and bad background should be selectively exposed to radio, television, and the print media to discipline violators and to deter future violators.
3. Major investigations should be well planned and be conducted thoroughly to ensure success. To widen the scope of investigations, besides checking major units designated by the State Council, it is necessary to properly target units for major investigations after taking the realities of localities and departments into consideration. In particular, units having the problem of privately running the "little coffers" that fail to undergo serious self investigations and rectification should be singled out for major, thorough investigations.
4. Attention should be given to the transfer of funds from the "little coffers" to the state treasury. Various localities and departments should assign special personnel to ensure a timely, full fund transfer. Unauthorized reductions and delays in submitting revenues due to the state will be strictly prohibited.

5. Emphasis should be given to the overall rectification and establishment of a proper systems. Various localities and departments should respond to problems uncovered after investigating the privately run "little coffers" and by urging and helping enterprises and units establish a sound financial management system — an effort designed to plug violation loopholes and to essentially check such unhealthy practices.

Official Notes Progress in State-Owned Sectors

OW2608144095 Beijing XINHUA Domestic Service in Chinese 0713 GMT 23 Aug 95

[By ZHONGGUO ZHENGJUAN BAO reporter Xu Ting (1776 1250) and XINHUA reporter Jiao Ran (3542 3544)]

[FBIS Translated Text] Beijing, 23 Aug (XINHUA) — Vice Minister of the State Economics and Trade Commission Shi Wanpeng pointed out in Tianjin yesterday that state-owned enterprises continue to make progress in positive directions. The key economic efficiency indexes are still unsatisfactory, and we must continue to control production, reduce stockpiles, and promote sales to improve economic performance and efficiency.

Shi Wanpeng pointed out: State-sector ownership interest [guo jia suo you zhe quan yi 0948 1367 2076 2589 5074 2938 4135] in the first half of this year rose by 20 percent over the same 1994 period; the capital appreciation rate was 8.6 percent, up 3 percentage points. The enterprises' working capital turnover improved somewhat; the average number of capital turnover in the January to May period was 1.15 times, up 0.11 times over the same period last year. The interenterprise debt chain has been alleviated somewhat, and the situation has been improving month after month.

Shi Wanpeng said: We must not underestimate the difficulties facing state-owned enterprises. The debt rate for state-owned enterprises' working capital continued to rise in the first five months and interest expenditure rose 0.36 percentage point. The rise of raw material and energy prices was 0.7 percentage points higher than the rise of manufactured goods price. He pointed out: Experience shows that the policy of controlling production, reducing stockpiles, and promoting sales has been effective in improving enterprise economic performance. Local economic departments should cooperate with banks in implementing effective measures to help enterprises reduce funds tied up by finished products, raise the sales rate of industrial products, and organize production in line with the principle of "enhancing sales, exercising restraint, and ending stagnation" so the sales rate of state-owned industrial enterprises will rise to 96 percent or

higher and the inventory period of finished products will drop to 43 days or less.

Shi Wanpeng said that two thirds of the state's planned working fund will be injected into enterprises in the second half of 1995, improving the situation of working fund supply.

Commission Official on Supervising Price System

OW2708074495 Beijing XINHUA in English 0715 GMT 27 Aug 95

[FBIS Transcribed Text] Beijing, August 27 (XINHUA) — China has tightened supervision over the pricing system and dealt with 338,000 cases of illegal price rises in the first six months of this year.

A spokesman of the State Planning Commission told XINHUA that in handling those cases, price administration authorities confiscated 710 million yuan of illegal income from excessive price rises nationwide.

The authorities at all levels have strengthened market supervision to fight excessive profiteering and price fraud, the spokesman said.

He said that the authorities have paid great attention to the prices of grain, chemical fertilizer and other goods that have a direct impact on the overall price index.

Legal and administrative price control measures adopted by the Chinese government have been playing an important role in curbing double-digit inflation. The year-on-year price index stood at above 15 percent last month.

In the first half of this year, price authorities spotted and handled 197,000 cases of illegal pricing in the wholesale and retail sector, 39,000 such cases in the service sector, 30,000 cases in the transportation and telecommunication sector.

Pricing behaviors in the manufacturing sector have generally abided by the state's laws and regulations, with only 3,264 cases of illegal pricing discovered during the first half of this year.

Government Role in City Development Noted

OW2708105995 Beijing XINHUA Domestic Service in Chinese 1427 GMT 16 Aug 95

[Short Commentary by XINHUA reporter Zhao Peng (6392 7720): "Create a Good Environment for Enterprises' Development" — XINHUA headline]

[FBIS Translated Text] Beijing, 16 Aug (XINHUA) — Why can large and medium-sized state enterprises emerge like shining stars everywhere in the city of Jinjing, which was an agricultural area in the old days?

A reason of crucial importance for this phenomenon is that its governments created a good environment for the development of enterprises, enabling them to pay undivided attention to making all-out efforts in conducting business operations and striving for development amid keen competitions on the market.

The governments must refrain from doing some things in order to be able to fulfill more important tasks for enterprises under a socialist market economy. Governments should separate their functions from those of enterprises, and should not make indiscreet remarks about or wantonly interfere with the business operations of enterprises. In this regard, governments should refrain from doing some things so that they may have time to handle more important tasks, such as creating a good environment for the development of enterprises.

First of all, the governments must create a good policy environment. What enterprises basically need from the policy environment for their development are: First, they must be able to make their own managerial decisions; second, their legitimate rights and interests must be protected; and third, they must be able to have the services provided by governments. Governments at all levels in Jining City delegated adequate authority for managerial decisions to enterprises; sternly investigated unwarranted pooling of funds, arbitrary requisition of donations, and exaction of fees from enterprises; and solved problems for enterprises in a timely manner. Thus, they provided a good "soft environment" for enterprises, enabling them to conduct business operations without having to worry about anything else. Such a "government behavior" aimed at helping enterprises win the market competitions is very welcomed.

Furthermore, if enterprises want to achieve development, they must also have a suitable economic environment, including the construction of bridges and roads, installation of communications and power-supply facilities, industrial layout, and port construction. None of these can be accomplished by enterprises. Governments are duty bound to carry out construction of these projects.

The practice of Jining City shows that in addition to successfully "practicing the art of building up one's strength through exercises of the internal organs" on the part of enterprises, governments must ask themselves if they have provided enterprises with a "soft environment" and a "hard environment" suitable for their development. These are precisely what governments at all levels should do their best to accomplish and what enterprises expect governments to do.

Shanghai Share-Holding Shows 'Good' Benefits

OW2808083795 Beijing XINHUA in English
0823 GMT 28 Aug 95

[FBIS Transcribed Text] Shanghai, August 28 (XINHUA) — This, China's biggest industrial city has opened 119 share-holding companies, which are engaged in various fields such as industry, commerce, transportation, real estate and finance, as well as science and technology.

Statistics show that the share-holding enterprises in Shanghai have all gained good economic benefits.

Last year the seven share-holding companies under the Shanghai Light Industry Administration yielded more than 46 percent of the total net profits of light industry in Shanghai.

The five share-holding companies under the Shanghai Textile Industry Administration, which have been listed on the local stock market, have earned more than 73 percent of the total profits created by the 360 enterprises of the administration.

According to Meng Jianzhu, deputy mayor of Shanghai, state-owned assets in these share-holding companies have grown steadily over the past few years since the city adopted the experimental operation of the share-holding system in 1984.

However, the further development of Shanghai's share-holding companies has exposed problems of weak management and incomplete rules and regulations.

As a consequence, the municipality is striving to promulgate a set of laws and regulations in a bid to guarantee a healthy and standard development of the share-holding companies.

New Hi-Tech Groups Leading in Economic Zones

OW2708090595 Beijing XINHUA in English
0756 GMT 27 Aug 95

[FBIS Transcribed Text] Xiamen, August 27 (XINHUA) — New and hi-tech industrial groups are mushrooming and leading in economic growth in China's special economic zones.

To accelerate the process of modernization, the Chinese Government has set up Shenzhen, Zhuhai, Shantou, Xiamen and Hainan special economic zones since 1980s by granting them special preferential policies in using advanced foreign technology and investment.

These zones have, since, improved infrastructure and developed their economy at an annual speed of more than 20 percent.

As a sound economic foundation has been built up, these special economic zones have shifted their attention to hi-tech industries.

In July 1985, the Shenzhen Special Economic Zone in Guangdong Province took the lead in the country in establishing a 3.2-sq km Shenzhen Scientific and Technological Industrial Park.

In June 1990, Xiamen in Fujian Province set up a torch hi-tech industrial development park, a research institute and a shopping town for international science and technology.

In February 1991, Hainan Province, China's largest special economic zone, began to build a four-sq km international industrial park of science and technology, and Zhuhai and Shantou in Guangdong Province designated two tracts of land as new and hi-tech industrial development zones two years later.

At present, Shenzhen's seven advanced industrial parks have taken shape and are helping the city to survive on the international market.

The past two years have witnessed 115 projects involving a total investment of 5.5 billion yuan settle in Shantou to develop electronic information, bio-engineering, new materials, chemicals, energy resources, and combination of machinery and electronics.

In line with its actual conditions, Hainan has concentrated on the development of modern agriculture.

These special economic zones with better investment conditions and the personnel quality are attracting many transnational corporations to launch projects there.

The 0.845-sq-km Xiamen Torch Hi-Tech Industrial Development Zone has seen the registration of hi-tech projects by foreign companies, including Panasonic and TDK of Japan, ABB Group of Sweden, Bourns Inc. Of the United States.

ABB group, one of the largest electric engineering companies in the world, set up ABB Switch Co., Ltd. In Xiamen in September, 1992, and two others in 1993 and 1994 and another in June this year.

In addition, the special economic zones pay attention to applying scientific achievements into production.

Zhuhai Special Economic Zone has worked out policies to give high awards to outstanding scientists and technicians in order to make the zone a base for attracting hi-tech personnel.

It is estimated that the output value of high-tech industries in Xiamen Special Economic Zone will reach 12 billion yuan in the year of 2000 and 65 billion yuan in 2010, and the transforming rate of scientific

achievements will be 60 percent in 2000 and 80 percent in 2010.

Textile Industry Growing; Increases Noted

*OW2808082795 Beijing XINHUA in English
0817 GMT 28 Aug 95*

[FBIS Transcribed Text] Beijing, August 28 (XINHUA) — China's textile industry grew steadily in the first half of this year, featuring sound production, balanced supply of raw materials and stable domestic markets for textiles and garments, the "China Textile News" reported recently.

Citing statistics provided by China Textile Industry Council, the output of chemical fiber during the first half of this year stood at 1.39 million tons, up 3.35 percent from the corresponding period of last year; that of yarn, 2.51 million tons, up 0.27 percent; that of cloth, 9.5 billion meters, up 7.53 percent; that of silk products, 1.58 billion meters, up 6.49 percent; that of woolen goods, 141.8 million meters, up 3.16 percent and that of garments, up 11.52 percent.

A survey of 496 kinds of women's garments tailored by 487 enterprises in major Chinese cities shows that the 91.5 percent of them are up to the required standards; and 96.4 percent of cardigans and 97 percent of women's underwear are up to the standard (based on separate surveys).

In the meantime, 15 kinds of textile products recorded production and sales rates between 94.13 percent and 107.64 percent.

The paper says major problems plaguing the industry include swelling production costs and worsening economic returns, resulting from the spiraling prices of major textile raw materials.

Some enterprises are engaged in low-level processing, leading to overstocking of products, and still others have launched new cotton textile projects in a reckless way, aggravating the stockpile problem.

Business in Telecommunications Sector Increases

*OW2608062695 Beijing XINHUA in English
0617 GMT 26 Aug 95*

[FBIS Transcribed Text] Beijing, August 26 (XINHUA) — China's post and telecommunications sector registered 52.05 billion yuan in business volume and 52.03 billion yuan in business income during the first seven months of this year, showing increases of 44.5 percent and 46.9 percent respectively over the same period of last year.

By the end of July, China completed fix assets investment of 29.04 billion yuan in the field of post and telecommunications, up 18.1 percent over the same period of last year.

Rapid growth was also recorded in promoting the national communications capacity.

In the first seven months, China increased 9.26 million telephone lines, and 8.62 million telephone subscribers, among which 1.08 million are mobile telephone subscribers.

At present, pager subscribers in public networks have reached 14.28 million.

Provincial Effort To Control Rural Prices Noted

OW2708105895 Hangzhou ZHEJIANG RIBAO
in Chinese 11 Aug 95 p 1

[By correspondent Jia Zhong (6328 0022) and reporter Chen Jie (7115 3381): "Cai Songyue Addresses Provincial Meeting on Management of Rural Commodity Prices"]

[FBIS Translated Text] Hangzhou, 10 Aug (ZHEJIANG RIBAO) — The provincial meeting on management of rural commodity prices was held in Xiaoshan from 9 to 10 August. Cai Songyue, deputy secretary of the provincial party committee and executive vice governor, stated on 9 August: Management of rural commodity prices is the key to realizing the provincial government's decision on controlling the rate of rise in commodity prices within about 14 percent this year. Governments at various levels should earnestly adopt effective measures to do a good job in this respect while taking a position on strengthening the position of agriculture as the foundation and viewing the work from the high plane of promoting healthy development of the rural economy.

In the first half of this year, the rise in retail commodity prices throughout the province dropped month after month and the average rate of rise was 16.2 percent, 2.3 points lower than the national average level. However, pressure on controlling price rises remains very great. The conspicuous problem at present is that commodity prices are rising too fast in the rural areas. The causes to the emergence of such phenomenon are many, but an important one is that the management of commodity prices in the rural areas is weak and ineffective. Therefore, we must attach great importance to work for commodity prices in the rural areas and strengthen management of commodity prices there.

Cai Songyue pointed out that, on the whole, good management of rural commodity prices should be conducive to curbing inflation, realizing the target of readjustment and control of commodity prices in our province, pro-

moting the development of agricultural production and of the rural economy, and improving the actual living standard of the peasants. To be specific, we should do a good job in work in the following three aspects: The first is to fix reasonable prices for the procurement of agricultural and sideline products and prices for the supply of the means of agricultural production, to ensure reasonable benefits from engaging in agricultural production, and to protect the peasants' enthusiasm about production.

The price issue is a most sensitive issue and is also an issue which the peasants are most concerned. For some time to come in future, agriculture will remain a weak industry, the effective supply of major agricultural products such as grain, cotton, and hogs will remain relatively short, and prices will continue to be an important level for arousing the peasants' enthusiasm about production and for readjusting the rural production structure. In strengthening the position of agriculture as the foundation, the work to strengthen management of rural commodity prices, to make rational arrangements for prices for the procurement of agricultural and sideline products, to guard against excessive rise in the prices of means of agricultural production, and to give full play to the role of prices as a level cannot be slackened at any time.

The second is to make greater efforts to strengthen supervision and inspection of rural commodity prices, to straighten out problems in collecting fees related to agriculture, to crack down on activities harmful to the control of prices, and to promote the healthy development of the rural economy. For quite a long period in the future, supervision and inspection of rural commodity prices should only be strengthened and should not be weakened.

The third is to strengthen the management of prices of important commodities in the rural areas such as grain, vegetables, and fertilizer.

Cai Songyue also pointed out that the management of rural commodity prices is geared to the grass-root level and it covers numerous points and an extensive area. It is arduous and is of a pioneering nature. Governments at various levels should strengthen leadership over work in this respect, give support to price departments, depend on the broad masses of grass-roots cadres and the peasants, and take effective measures to properly carry out management of rural commodity prices. He demanded that governments at various levels should establish the target responsibility system for readjusting and controlling commodity prices; should establish and perfect the network of management of commodity prices throughout the rural areas, earnest strengthen leadership over

commodity prices, and stabilize the contingent for supervising and managing commodity prices of counties (cities). At present, we must focus the work of counties (cities) for commodity prices on the management of rural markets and on providing support for agriculture, invigorating agriculture, and protecting the interests of peasants; township (town) governments should also establish and perfect, suiting measures to local conditions, price management organizations. We should strengthen supervision and inspection of rural commodity prices, resolutely crack down on illegal acts of raising prices at random, collecting fees at random, producing and selling faked and shoddy goods, manipulating markets, and seeking exorbitant profits. Governments of various localities, government at the county level in particular, must strengthen organization and coordination work in the management of rural commodity prices, make clear the duties and division of work of various departments, and organize and coordinate the joint management of various departments. The industrial and commercial administration, finance, public security, commercial, and marketing and supply departments should fulfill their own duties, cooperate closely with each other, and make due contribution to curbing inflation and controlling price rise.

Directors of commodity price bureaus of various cities (prefectures) and counties (cities) and representatives of departments concerned at the provincial level attended the meeting.

Sichuan Gas Field Becoming Nation's Largest

*OW2808035995 Beijing XINHUA in English
0332 GMT 28 Aug 95*

[FBIS Transcribed Text] Chongqing, August 28 (XINHUA) — The Chuandong Natural Gas Field in the eastern part of southwest China's Sichuan Province is rapidly becoming the country's largest gas production base, with annual output hitting 4.11 billion cu m, accounting for 25 percent of the country's total.

Annual proven deposits have been increasing at a rate of six percent over the past ten years.

Statistics show that by the end of 1994 the Chuandong Gas Field had explored and developed a total of 22 gas deposits of various sizes, 11 gas-bearing structures and over 200 gas wells.

The gas field, according to local source, has become the most important commodity gas supply base in southwest China. It not only guarantees gas supply for fertilizer production in the provinces of Sichuan, Yunnan and Guizhou, but also supplies both residents and factories in Chengdu and Chongqing, the two key cities in Sichuan.

The active application of scientific research findings has greatly boosted the gas production of the field, according to local officials.

The gas field spends over 30 million yuan on technological transformation annually, which helps to put the latest technologies in gas exploration and extraction into production at the earliest possible date.

So far, the scientific and technical researchers of the gas field has gained ten state patents and won over 200 scientific research prizes at state or provincial level.

State-Funded Company To Operate Coalfield

*OW2708163995 Beijing XINHUA in English
1619 GMT 27 Aug 95*

[FBIS Transcribed Text] Beijing, August 27 (XINHUA) — The State Council has recently approved to establish the Shenhua Group Corporation with Limited Liability, which will be the country's first solely state-funded company set up in accordance with the principles of modern enterprise system since the Corporate Law took effect in July 1, 1994.

The would-be corporation will be responsible for developing and operating Shenfu-Dongsheng Coalfield, the largest of its kind in China, and the related railways, power stations, ports and fleets.

This symbolizes that China has made an important breakthrough in the reform of the country's basic industry system.

Shenfu Dongsheng Coalfield is located in Yuling Prefecture of northern Shaanxi Province and Inner Mongolia Autonomous Region, and has a verified coal area of 31,200 sq km with total coal reserves of 223.6 billion tons, which accounts for a quarter of the country's verified coal reserves.

Construction of mines in the coalfield is to complete around the year of 2010. By then, the annual production output of the coal mines will reach 60 million tons. Meanwhile, a 900 km new railway line, a new Huanghua Port capable of handling 35 million tons of cargo a year, some ocean shipping fleets and pit power stations with a combined generating capacity of 942,000 kw will all be built. The total investment in the whole project will surpass 60 billion yuan.

The Shenfu-Dongsheng Coalfield will finally have an annual production capacity of 100 million tons of quality coal when its long-term construction plan is completed. By then, it will become one of the few big modern coal mines in the world.

According to the decision of the State Council, the Shenhua Group Corporation with Limited Liability

is built on the basis of the Huaneng Cleaned Coal Company in accordance with the principles of modern enterprise system. It will rank 57th in the country's large pilot conglomerates and will be given quite a lot of rights.

Coal Industry Official Comments on Development
OW2608142895 Beijing XINHUA in English
1400 GMT 26 Aug 95

[FBIS Transcribed Text] Yinchuan, August 26 (XINHUA) — China will focus on the coal industrial development in its northwest part in the 1996-2000 period.

Northwest China consists of Gansu, Shaanxi and Qinghai provinces and Xinjiang and Ningxia autonomous regions.

Bai Shi, Deputy General Manager of the China National Coal Import and Export Corporation, said here recently that the Ministry of Coal Industry will build nine coal mines in Gansu, Shaanxi and Ningxia in the coming five years.

According to plan, Northwest China will turn out an annual coal output of 140 million tons in the year 2000, accounting for 9.5 percent of the country's total; and more than 200 million tons in 2010, accounting for 11.6 percent of the total.

The coal reserves of Northwest China totalled 301 billion tons by the end of 1993, accounting for 30 percent of the country's total.

Last year saw the five provinces and regions turn out 99.83 million tons of coal, accounting for only 8.1 percent of the country's total.

Bai noted that China's annual coal output will reach 1.45 billion tons and its coal exports climb to 50 million tons by the end of this century.

Finance & Banking

Shandong's Zhao Discusses Taxation Work

SK2708054695 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 25 Aug 95

[FBIS Translated Text] At the provincial taxation work conference which concluded on 25 August, Zhao Zhihao, secretary of the provincial party committee, stressed: Tax workers must approach from the overall economic situation to think of questions and handle affairs, must conscientiously serve economic construction, and must completely attend to tax revenue work in order to support and serve economic development, with a focus on increasing economic efficiency.

Zhao Zhihao added: Without great economic development, there will be no great [words indistinct] in the

financial situation. If we are divorced from the support and service of the tax revenue work, we will not be able to achieve economic development. So the financial and taxation departments should positively bring into play their functions for guiding, supervising, and standardizing economic operations and should make new contributions to realizing the province's grand economic and social development targets.

Zhao Zhihao also pointed out: We should concentrate financial resources to handle major affairs and should further expand the dynamics of regulating and controlling finances. Governments at various levels and financial and taxation departments should further widen the field of vision for managing financial affairs; should positively study ways; and should achieve a unified management and concentrated use of both budgetary and extrabudgetary funds in order to suit the demands for the development of the situation. Social intermediary organizations, such as accounting and auditing offices, should bring their functions into full play, strengthen supervision and examination, and ensure the handling of financial affairs according to law; should standardize economic activities; and should promote an orderly development of a favorable economic cycle. It is imperative to persist in the policy of taking a two-hand approach. We should further deeply, solidly, and thoroughly grasp the struggle against corruption and conscientiously investigate and handle major and appalling cases. Simultaneously, we should also pay attention to linking our routine work with the improvement of administrative honesty; should improve the mechanisms from the higher levels on down within the party and within its organs for supervising and restricting one another; and should ensure the sound development of reform, opening up, and economic construction.

Governor Comments

SK2708062295 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 26 Aug 95

[FBIS Translated Text] On the afternoon of 25 August, Li Chunting, deputy secretary of the provincial party committee and governor of the provincial government, attended the provincial taxation work conference and also made an important speech at the conference.

Li Chunting said: The province's 1995 taxation work targets are to base itself on surpassing budgeted revenues and to ensure the balancing of revenues and expenditures. All localities should set their eyes on the overall situation to accurately find their positions, mobilize enthusiasm, and conscientiously make more contributions to realizing the province's taxation work targets. In doing the specific work, we should achieve two guarantees and one endeavor. That is, guarantee to hand over

in a timely manner full revenue amounts to the treasury, guarantee to strike a balance between revenues and expenditures, and endeavor to write off increasingly more overdue tax bills.

Li Chunting stressed: Broadening sources of income is an important measure for changing the methods for promoting economic development. Thus, the governments at various levels and the financial and taxation departments should approach from the overall situation to think over finance, achieve the financial work to change the methods for promoting economic development and comprehensively improving economic quality, and ensure realization of the strategic targets for economic and social development. In broadening sources of income, we should attend to the work in the aspects of increasing new financial resources and discharging old burdens. All levels and all departments should proceed from their actual conditions to make plans, arrange schedules, and accelerate the pace of [words indistinct]. First, ensure realization of the target of writing off the debt bills of grain departments. Second, endeavor to discharge the debt burdens of foreign trade departments. Third, implement the existing policies to help enterprises eliminate deficits.

Regulations on Conversion of Foreign Currencies
OW2508055495 Beijing ZHONGGUO XINWEN SHE
in English 1328 GMT 21 Aug 95

[Supplementary regulations on conversion of foreign currencies]

[FBIS Transcribed Text] Beijing, August 21 (CNS) — The Ministry of Finance recently circulated a notice on supplementary regulations on the conversion of foreign currencies. The regulations deal with the accounting process relating to foreign currency business undertaken by enterprises.

The essence of the notice was that in case the RMB [Renminbi] to US dollar, Yen and HK dollar exchange rates set by the People's Bank of China could not be applied to the conversion of other currencies, the following practices should be employed.

First, except for the above-mentioned three foreign currencies, the exchange rates for other currencies against the renminbi should follow that of the US dollar against the renminbi and the exchange rate of the US dollar against other leading foreign currencies as announced by the State Administration of Exchange Control using quotes on New York foreign exchange market as its benchmark. Conversion between foreign currencies and the renminbi is to be based on these exchange rates.

Second, the exchange rate between the US dollar and currencies other than the renminbi would follow that of the US dollar against leading foreign currencies quoted on the New York foreign exchange market.

Third, exchange rates among other foreign currencies should be based on their rate of exchange against the US dollar as quoted on the New York foreign exchange market.

The notice stressed that the foreign currency accounting process should be conducted in accordance with "The Foreign Currency Accounting Process Regulations as a result of the Restructuring of the Foreign Exchange System" promulgated by the Ministry in 1994.

***Insurance Company Official on Insurance Law**
95CE0509A Beijing JINRONG SHIBAO in Chinese
3 Jul 95 p 1

[Article by Ma Yongwei [7456 3057 0251], President and CEO of the China People's Insurance Company: "The Insurance Law: an Event of Epoch-Making Significance"]

[FBIS Translated Text] After more than three years of drafting, discussion, demonstration and revision, the "People's Republic of China Insurance Law" has now been published officially.

The birth of this important law indicates further improvement in the socialist market economy legal system, and means that China's financial system reform has made new strides toward legalization channels. For the insurance industry, the publication and implementation of the "Insurance Law" is a significant, watershed event. It will have positive and long-lasting influence on the insurance industry, strengthening its supervision and management and promoting the industry's healthy development.

After the 3rd Plenary Session of the 11th Central Committee, the domestic insurance business which had been defunct for 20 years was restored and has been developing rapidly. In just a few short years, the People's Insurance Company's service network has extended into every city and town throughout China, the types of insurance offered has developed to include over 300 kinds of insurance in four major categories: property insurance, personal insurance, credit insurance and responsibility insurance. The average income from insurance business has increased by 40 percent annually. This over-development in an initial period attracted the notice of the insurance industry internationally, and drew the attention of many regions or work units in China as well. Therefore, many trades and even some government institutions have in succession gone into

insurance. In order to resolve the chaos which occurred in the insurance business, the State Council and the People's Bank of China issued a series of notices concerning strengthening management in the insurance industry, linking this with treatment and regulation in the economic area, starting the reorganization and regulation of the insurance market.

During the late 1980s, to suit the new circumstances of opening and reform and society's demand for insurance, China gradually opened up the insurance market. It established the China Pacific Insurance Company, the China Pingan Insurance Company, and others, 24 companies in all, including three foreign insurance companies approved to set up business organizations in mainland China. In such cities as Beijing, Shanghai, Dalian, Guangzhou and Shenzhen, there are over 50 insurance companies, including foreign insurance companies, re-insurance companies and insurance brokerage companies. We can say that the market layout of Chinese and foreign insurance institutions coexist, forming pluralized insurance competition.

The increase of market entities will benefit the establishment and development of insurance companies in the true sense; however, neither should we avoid discussing some problems it brings. One is the lack of a fair competitive environment. A second is that the methods of competition urgently need regulation. Such problems as murky definitions of commercial insurance and social insurance, mixed operations of loss insurance and individual insurance all retard healthy development of the insurance market.

No scale will be formed if there are no rules. To establish a market system with good circulation, a strict management and supervision system is very important. For more than a decade, the State Council has issued a series of regulations on insurance, for example, 1983's "People's Republic of China Property Insurance Regulations" and 1985's "Provisional Regulations on Insurance Enterprise Management." These definitely played a positive role in insurance business management at those times. Meanwhile, there was great progress being made in the legislative work on insurance: in 1981, the "People's Republic of China Economic Contract Law" was issued, and in 1992, the "People's Republic of China Sea Maritime Commerce Law" was issued. However, with the development of the socialist market economy and the growth of insurance market entities, these regulations are no longer suited to regulating insurance activities and the demands of strengthening supervision and management of the insurance industry, while the birth of the "People's Republic of China Insurance Law" fits this demand perfectly; it is really timely.

The People's Insurance Company is the largest such company in China. It has a large share of the market, with more than 5,000 branch institutions, employs 120,000 people at its 110,000 professional agency sites, and has 200,000 agents. Taking the lead in studying the law, complying with the law and using the law is the duty of every employee of the People's Insurance Company, and they are duty-bound to uphold the implementation of this law.

At present, study of the law is paramount. Every level of leadership and all employees of the People's Insurance Company must make it a high priority to study the "Insurance Law." Second to this is compliance with the law and using the law. We must strictly regulate the operational behavior of every level of the company in accordance with the stipulations of the "Insurance Law", persist on doing business according to the law, operate based on the law, automatically accept supervision and management by insurance management institutions, to create a good market environment for fair competition by their own regulated behavior. Meanwhile, we must take advantage of all possible means to publicize the "Insurance Law", and make it known to more people. Making more of them familiar with it will improve the entire nation's insurance law awareness and their understanding that application of this law will protect everyone's legal rights and interests.

***Foreign Exchange Reserve Growth Needed**

95CE0509B Beijing JINGJI CANKAO BAO
in Chinese 27 Jun 95 p 4

[Article by Chen Bingcai [7115 3521 2088] of the State Planning Commission's Macroeconomic Institute: "Foreign Exchange Reserve Growth Needed"]

[FBIS Translated Text] I. There are Two Views on the Suitability of Foreign Exchange Reserves.

In 1994, China had as much as \$51.6 billion in its reserves of foreign exchange, more than double that of 1993, accounting for 280 billion yuan RMB. This attracted attention domestically, and in particular started a debate over whether it was suitable to have foreign exchange reserves on such a scale. By the end of March, 1995, China's foreign exchange reserves had grown to \$58 billion dollars. Analyses indicate that the reserves will continue to grow this year if the economy does not overheat, and will last into next year. The scale is estimated to reach at least \$60 to \$80 billion. It is worth discussing whether this scale is necessary for China. At present, there are two views about the foreign exchange reserve: one regards a reserve of more than \$50 billion reserve as being not all that much. They feel this way because to maintain a three-month's

import scale would cost over \$30 billion; in addition, we have over \$100 billion in debts, costing us more than \$10 billion annually in principle and interest, the two items together taking about 50 billion dollars. Another view holds that increase in foreign exchange reserves uses up increasingly high amounts of RMB; as the pressure of domestic inflation increases, we can consider using some of the foreign exchange to increase imports, especially agricultural product imports, to hold down the domestic market price. We believe that in the short term the foreign exchange reserve scale is tending to be too large, but in the long term the growth in foreign exchange reserves is necessary.

II. Circumstances That Determine Foreign Exchange Reserves

Theoretically, foreign exchange reserves are determined by the following factors: one, the scale of cost for imports in a certain period; two, the scale of interest and principle cost on foreign debts; three, foreign exchange use to keep the foreign exchange rate stable when there are fluctuations in the domestic economy, the international economy and finances; four, other uses of foreign exchange reserves, for example in foreign exchange rate system reform. We will now discuss the specific effects of these four factors:

1. Scale of domestic use of foreign exchange

A country must have sufficient foreign exchange reserves to cope with the risks caused by sudden increases in imports and reductions in exports. How big is this scale? It is usually established on a basis of time and average import scale. In fact, this is the time when a government regulates import and export. At present, the Chinese view is three month's import scale. Calculated this way, in 1994, China imported \$120 billion, so the import risk in using foreign exchange reserves was about \$30 billion. In 1995, with growth in the import scale, the foreign exchange reserves should be around \$35 billion.

However, establishing import foreign exchange in this way is inevitably too mechanical. Because whether it really takes three months or more of using import foreign exchange reserves should be determined by the specific situation: (1) if existing imports for unexpected reasons suddenly increase and moreover last, especially if the reasons persist for several months. If they do not, then the three month scale is unnecessary, and may even be reduced. Here we must specifically analyze the trend of domestic economic policy and import change, especially the international price and domestic price change trend for imported products. (2) if exports become unstable or depressed, and especially if exports go into a steady decline. If this condition exists, while

imports continue strong or are in a growth trend, then three months of import foreign exchange reserves are insufficient, and must be expanded. (3) the trend of differences between imports and exports. If there is a surplus, then three months of foreign exchange reserves are not needed. If there is a deficit trend, then it should even be expanded to significantly more than three months, determined by the time that the government adjusts import and export scale.

2. The scale of repaying interest and principle on foreign debts.

The scale of foreign debt repayment, no matter whether annual or monthly, is already a known figure; there is no risk of change, but there are risks in the ability to repay because of suddenly occurring factors. However, the foreign exchange reserve scale cannot be calculated simply by taking the principle and interest, rather, one must consider whether to continue the scale of the loan. If we continue to borrow, the difference between interest and principle payments and the new debt should be added to the foreign exchange reserve scale. Another factor demanding consideration is the impact on the scale of interest and principle repayment brought on by change in the international foreign exchange rate.

3. Foreign exchange reserves required to stabilize the basic currency exchange rate.

The following factors apply here: (1) foreign exchange needed to be sold to maintain the basic currency value rise; (2) foreign exchange reserve for preventing shock from international financial fluctuations and international circulating capital. Of course, how big the foreign exchange reserve must be to maintain stability in the foreign exchange rate and prevent international financial fluctuation is determined by the foreign exchange rate trend of the basic currency as well as the scale of short-term foreign capital flowing into the domestic financial market and the degree of openness of that market.

4. Foreign exchange reserve for other purposes

Take as an example the changes in the foreign exchange system. If the basic currency goes from a situation where it cannot be freely exchanged to completely free exchange, the people's demand for foreign exchange will undergo major changes as well, and we must give consideration to foreign exchange reserves. Also, foreign exchange reserves for political and economic purposes cannot be ignored either.

III. It Is Essential That China Increase the Scale of its Foreign Exchange Reserves

1. Looked at in the short term, the scale is too large

Judged by the four factors discussed above, China's 1994 foreign exchange reserve scale is a bit high. According to the trend of import and export, 1994 showed a surplus: \$30 billion in foreign exchange was sufficient for import use and could even have been lower, while \$10 billion was sufficient for repaying the interest and principle for foreign debts, so the total requirement was a bit over \$40 billion. Although merger of the foreign exchange rates held a certain risk, after three to four months, there is no longer any significant risk, so increasing the reserve to cope with this is unnecessary. Therefore we say the foreign exchange reserve in 1994 tended to be larger. Even judging by the 1995 situation, there is still a foreign trade surplus; the first quarter of the year showed a \$7 billion surplus, estimated to be a \$25 to \$30 billion surplus for the year. So a \$45 billion dollar reserve should be sufficient for the whole year. The present growth of foreign reserves is obviously too large.

Should we increase imports to hold down domestic inflation since the foreign exchange reserve scale is too large? It is true that we can consider doing so. However, it is not something we can do solely of our own free will: the "large scale" is something that happens naturally, and there is nothing we can do about it. The merger of the RMB and the foreign exchange rate on the one hand encouraged exports, but on the other hand, it greatly increased the cost of imports and the price of imported products (including grain). If an importing enterprise has no profit to make or can make but a small profit, that enterprise will be reluctant to import. So under the current importing system it would be very difficult to hold down domestic prices through the use of foreign exchange without granting financial subsidies.

2. Looked at in the long term, it is necessary

We should say that the above is the short term analysis; but if we look into it for the long term, the present foreign exchange reserve (trend) is not too large; on the contrary, although it is not very suitable, it is really necessary:

(1) The cost of domestic foreign exchange through export is rising, especially given that the high domestic inflation rate (over 10 percent) will continue to exist in 1995 and 1996, which will deter the growth of exports and encourage imports. Although the foreign exchange rate merger's promotion of exports and suppression of imports will still exist in 1995, this will gradually disappear in 1996, and may then suppress exports and incite imports. Foreign exchange reserve must make preparations for this.

(2) The pressure of the RMB's rise in value still exists. This is attributable chiefly to the expectation

that China's international balance for capital projects will show a large scale surplus in the next few years. Trade projects will still show a surplus in 1995, and there may be a deficit in 1996; however, the scale will not be too great, while the non-trade balance cannot possibly depreciate in value but will only rise in value. Moreover, the rise in value's suppression of exports and encouragement of imports and the effort to stabilize the foreign exchange rate all call for increased foreign exchange reserves.

(3) Research shows that after Hong Kong reverts to China, China will have a net capital outflow. This will be due on the one hand to stable domestic economic growth accompanied by a great volume of surplus capital, while on the other hand, after the return of Hong Kong, investment overseas or in Hong Kong will increase. At the same time, inflow of foreign capital will decline or remain stable due to changes in inflow circumstances and domestic demand. Therefore, foreign exchange reserves will fall, perhaps considerably. So the current larger reserve could function as a subsidy.

(4) There will be free exchange of the RMB before 2000, and the risk of exchange rate fluctuation will increase. So we must have sufficient foreign exchange reserves, and this item will take at least \$15 to \$20 billion, perhaps more.

Under this analysis, in 1997, it would not be too much for China to have a foreign exchange reserve between \$60 to \$80 billion (\$40 to \$45 billion for import reserve, \$12 to \$15 billion for repayment of interest and principle on foreign debts, and \$10 to \$20 billion for stabilizing the exchange rate). Therefore we say that for the short term, the foreign exchange reserve scale is too large, but for the long term growth is really necessary.

IV. Undesirable Effects of Foreign Exchange Reserve Growth and Countermeasures

Increased foreign exchange reserves will add inflationary pressures, chiefly because foreign exchange growth uses RMB basic currency. In addition, the increase in China's foreign exchange reserve is led to a great degree by a net inflow of foreign capital, while the net inflow of foreign capital in China also has a quite significant inflationary effect. This was very obvious in 1993 and 1994.

Increased foreign exchange reserves will also force the RMB to rise in value; meanwhile it cannot hold down domestic price rises. This will add to the difficulty in controlling inflation.

In addition, as the domestic export foreign exchange cost rises, growth in foreign exchange reserves will be unfavorable to obtaining a balance of trade.

Based on the above undesirable influences, we might consider adopting the following policies:

(1) Include the use of RMB for obtaining foreign exchange in the plan for issuing RMB currency. This could reduce and eliminate inflationary pressures.

(2) The international balance surplus should move toward taking the trade balance surplus as the dominant factor instead of the capital project surplus. Although China is a developing country, it is not a capital-short country; but it is inefficient in its use of capital. Therefore, we no longer need a capital inflow of over \$30 billion. At present, the scale of foreign capital inflow is too great, and we should switch the focus of international balance policy to trade balance and surplus. This is essential to improving China's economic status and international competitiveness, and to China's long term economic development and accomplishment of industrialization, while a capital projects' international balance surplus make China's industrialization impossible.

(3) As for the RMB's rise in value, we should gradually abandon intervention. This will force foreign trade enterprises to raise their quality and international marketing price, increasing direct sales. In this way we can change the image of trade volume expansion and go down the path of improving quality and competitiveness, which will both reduce anti-dumping and hold down domestic inflation (reduce exports).

Foreign Trade & Investment

Shandong Experiencing 'Boom' in Investments

OW2808080495 Beijing XINHUA in English
0738 GMT 28 Aug 95

[FBIS Transcribed Text] Jinan, August 28 (XINHUA) — Statistics show that east China's Shandong Province has witnessed a boom of investments in its state-owned large and medium sized enterprises from overseas transnational corporations and financial giants.

More than half of the 63 joint ventures registered with more than 10 million US dollars each during the first half of the year involved state-owned enterprises.

At the beginning of June the Shandong General Bulldozer Plant, China's leading bulldozer manufacturer, signed contracts with the Komatsu Manufacturing Co. Ltd and Sumitomo Corporation Ltd of Japan for a hydraulic-pressure digger project, with a total investment of 30 million US dollars.

In the meantime, the Jinan No.2 Machinery Tool Plant, another big producer of metal machine tools, has signed contracts with the Muller-Weingarten Corporation to develop advanced facilities for China's automobile manufacturing industry.

More and more foreign investors are likely to put their money into state-owned enterprises, although investments from small overseas enterprises have been declining in the past two years.

To date, about 50 foreign giants, from Japan, the US, Germany and other countries and areas have invested in state-owned enterprises in Qingdao, Jinan, Weihai, and Jining cities.

The foreign investors favor state-owned enterprises because they have qualified personnel, better technology and equipments, and higher competitiveness in domestic market. About 50 percent of the province's 1,200 state-owned enterprises have carried out technological transformation.

A Singapore investor said that he was very impressed by the Jingfeng Group's management and the dedication of its personnel when visiting the group to discuss a 50-million-US-dollar project.

Joint-Venture Brings Water Purification System

OW2608014795 Beijing XINHUA in English
0125 GMT 26 Aug 95

[FBIS Transcribed Text] Shanghai, August 26 (XINHUA) — Purified water, with a sweet taste and low acidity, is now available to more and more ordinary families in Shanghai thanks to a new type of water-purification system, made by a Sino-U.S. joint-venture.

"The idea of good water has changed nowadays," said Professor Hu Shaoting, the inventor of the system, "It should not only be free from harmful substances but also beneficial to health."

The water which is treated by this JZ322 Computerized Water-Purification System, is both clean and fresh, and helpful in combating some diseases or problems such as hypertension and diabetes.

The system was developed by the Shanghai Haos Water Rectification Co., Ltd after a year of research based on American water treatment methods.

The new system, which is different from earlier ones, produces two streams of ionized water — one for drinking and the other to be used externally to improve looks or to diminish inflammations, said Professor Hu.

He explained that since the 1990s, purified and ionized water has become popular in Japan, the United States, and some European countries, and the new Chinese product, with properties equal to or superior to the same kind of product in Japan, only costs one-eighth the price.

Guangzhou's Utilities Attracting Foreign Funds

OW2808074695 Beijing XINHUA in English
0714 GMT 28 Aug 95

[FBIS Transcribed Text] Guangzhou, August 28 (XINHUA) — The public utilities, including transportation, gas and running water facilities, in this capital of Guangdong Province are attracting more and more overseas investment.

According to statistics, business people from Japan, France, Hong Kong and Macao have invested a total of over 40 million US dollars in building 28 projects involving in public utilities.

Guangzhou concluded a gas project transformation contract with the Netherlands in June this year, and is co-operating with a Hong Kong company to build two natural gas plants to supply 4,000 citizens with cooking gas by the end of this year.

Meanwhile, negotiations on expanding four waterworks between a Hong Kong company and Guangzhou are proceeding well.

Shenzhen To Invest More in Energy Industry

OW2808065295 Beijing XINHUA in English
0609 GMT 28 Aug 95

[FBIS Transcribed Text] Shenzhen, August 28 (XINHUA) — This China's leading special economic zone in Guangdong Province will invest 100 billion yuan in further developing its energy industry and infrastructure facilities in the coming five years.

According to Wang Ju, deputy mayor of the city, Shenzhen is trying to develop into a regional trade, banking and shipping center as well as a high-tech industrial development base so as to attract more foreign investment.

Wang noted that the city will speed up the expansion of its airport and the second phase of the Yantian Port, upgrade the Shenzhen Port, and build a highway and a subway in the coming five years.

By the year 2000 the city will have built three power plants with a combined generating capacity of 4.89 million kw, and water diversion projects to pave the way for the city to turn out domestic product totalling 150 billion yuan-worth annually by the end of this century.

In addition, the city is paying attention to the expansion of telecommunications.

Henan Approves Joint Ventures With Singapore

OW2808092095 Beijing XINHUA in English
0828 GMT 28 Aug 95

[FBIS Transcribed Text] Zhengzhou, August 28 (XINHUA) — Central China's Henan Province has approved 31 joint ventures involving Singapore businessmen, with a combined contractual value of 393.5 million US dollars since last October, according to local sources.

Singapore investments account for 169.7 million US dollars of the total.

The investment boom is closely related to Senior Minister Lee Kuan Yew's visit to Henan in October last year, the sources said.

A number of provincial leaders visited Singapore with delegations following Lee's trip.

Jilin Official Meets Korean Entrepreneurs

SK2808091495 Changchun JILIN RIBAO in Chinese
9 Aug 95 p 1

[By reporter Wang Yanli (3769 5333 7787): "Korean Ocean Transport Entrepreneurs Visit Jilin Province"]

[FBIS Translated Text] On the afternoon of 9 August, Acting Governor Wang Yunkun met with Mun Pong-su, president of the Korean Northeast Shipping Corporation, Chung Tae-sun, president of the Korean Changkum Ocean Transportation Corporation, and Le Tianxiang, vice president of the China External Transportation General Company, who accompanied the Korean guests visiting the province, and their entourage at the provincial government office. These two Korean enterprises will be the investment and cooperative partners of the Jilin Group Company of the China External Transportation General Company when the company start the ocean transportation project. The purpose of the visit was to brief the provincial government leaders on the pre-phase preparations for the opening of the land-sea passenger and cargo transport project between Hunchun and Sokcho port of ROK via a third country, which was discussed and decided last year at the meeting of (provincial-level) administrative heads of four regions around the Sea of Japan, to study the matters on the progress of the next step of work, and to discuss the issues of investment in developing Hunchun and Tumen Jiang.

During the meeting, Acting Governor Wang Yunkun thanked the two Korean enterprises and the China External Transportation General Company for providing great support for opening the Hunchun-Sokcho shipping route project and for their friendly cooperation, and expressed hope that all domestic and foreign enterprises

will strengthen cooperation in this project and in a more extensive sphere.

***Course of Sino-U.S. Trade Relations Reviewed**

95CE0566A Beijing GUOJI SHANGBAO in Chinese
20 Jul 19 No 7, 95 pp 17-19

[Article by Wang Zhiquan [3769 3115 2938], Department of Affairs of the Americas and Oceania, Ministry of Foreign Trade and Economic Cooperation [MOFTEC]: "No Matter the Number of Mountains and Rivers, A Way Across Can Always Be Found — Cur-sory Analysis of the Outlook for China-United States Economic and Trade Relations"]

[FBIS Translated Text] The United States announce-ment in May 1995 of a reduction in China's 1.83 mil-lion da [2092] textile quota cast a shadow over Chinese-United States economic and trade relations. [Vicky: Pls let me know what you make of this term da. Thanks. Dave] The United States public agreement in July to the visit of Taiwan's Li Teng-hui to the United States in-flicted a deep wound on China-United States relations. One situation after another occurred about which the wise felt pain and fools rejoiced. Just what are future prospects for China-United States economic and trade relations?

A Long Standing and Established Relationship

In August 1784, the American merchant ship, "Empress of China" sailed into Guangzhou loaded with western ginseng, furs, and pepper, thus opening trade between China and the United States. By 1918, trade between the two countries amounted to \$100 million per year. At the end of World War II, China became America's largest market in Asia, trade between the United States and China amounting to \$420 million per year, or 53 percent of China's foreign trade in 1946. This included \$373 million in imports from the United States, or 35 percent of America's total exports to Asia for that year. Following the birth of new China, following the principle of independence, maintenance of initiative, and equality in trade, China contained to maintain commercial intercourse with the United States. In 1950, trade between China and the United States still remained at a fairly high \$238 million, China's imports from the United States totaling \$143 million, and exports totaling \$950,000. Following outbreak of the Anti-America, Aid Korea War, the United States government at that time placed a blockade and an embargo on China bringing to a halt trade between the United States and China. Changes in the world situation and China's growing strength caused a gradual change in United States policy toward China. On 10 June 1971, President Richard Nixon personally issued a public announcement remov-

ing restrictions on trade with China. That same year, a large number of American businessmen applied to take part in the Guangzhou Autumn Trade Fair. In February 1972, President Nixon visited China where he signed with Premier Zhou Enlai the world renowned "Shanghai Communiqué," which revived direct trade between China and the United States, which had been interrupted for more than 20 years. In the spring of 1972, the first group of 42 American businessmen participated in the Guangzhou Trade Fair. The following year, the National Committee on United States-Chinese Trade was founded in the United States to promote trade between China and the United States. On 1 January 1979, China and the United States formally es-tablished diplomatic relations. On 7 July of the same year, the governments of the two countries signed the "China-United States Trade Relations Agreement," bi-lateral trade developing rapidly thereafter. Chinese sta-tistics show trade amounting to only \$12.9 million in 1972. In 1979, bilateral trade totaled \$2.45 billion. By 1994, trade between China and the United States had increased to \$35.4 billion in a nearly 14 fold increase over 1979. Sino-U.S. trade reached \$7.1 billion for the period January through March 1995, up 33 percent from the same period during the previous year. The United States became China's third largest trading partner in 1979. With the development of trade and increase in personal contacts, and in the process of the opening of China's economy to the outside world, American firms investment in China suddenly arose as a new force. As of the end of 1994, American investment projects in China totaled a cumulative 16,000 for an agreed Amer-ican investment of \$18.3 billion, and an actual invest-ment made of \$7 billion. In 1994 alone, American firms invested in 4,223 projects in China at an agreed invest-ment of \$6 billion and making an actual investment of \$3 billion. American investment in China ranks fourth after Hong Kong, Taiwan, and Japan. Projects spread over more than 20 provinces, municipalities, and au-tonomous regions throughout the country, and areas of investment including machine building, metallurgy, petroleum, electronics, telecommunications, chemicals, textiles, energy, light industrial goods, foodstuffs, agri-culture, pharmaceuticals, tourism, hotels, and real estate. Incomplete statistics show that more than 100 of Amer-ica's "Fortune" 500 countries have invested in China. Overall, American investment in China is characterized by large scale, a high level of technology, sophisticated management, and attention to technical training. At the same time, the economic returns of most enterprises in which American firms have invested are also very good. The investors have gained quite generous recompense.

Numerous Problems

For various reasons, numerous difficulties and problems exist in China-United States trade relations. Some problems pose a serious threat to the healthy development of trade and economic cooperation. They must be solved at once. *On most favored nation treatment*

The trade relations agreement between China and the United States clearly provides that both sides shall accord each other most favored nation treatment. Because of reasons originating on the American side, this problem has frequently disturbed and threatened normal development of trade between China and the United States during the past several years. On 26 May 1994, President Clinton decided to uncouple most favored nation treatment from the human rights issue with the result that this issue, which had heated up in recent years, was resolved to a very great extent. However, America's discussion every year of what should be unconditionally accorded bilateral most favored nation treatment, continues to cast a pall over trade relations between China and the United States. China wishes that the United States would proceed from the common good to solve this problem completely as quickly as possible so as to create a fine and stable climate for further development of bilateral trade between China and the United States. *On trade imbalance*

In recent years, American complaints about "imbalance" in trade between China and the United States have grown stronger with each passing day, to the point where the United States has taken some undesirable actions to put pressure on China. This problem is not as serious as some people make it out to be. In the first place, it is normal for imbalance to occur in trade between one country and another. So long as both parties cooperate and work together, taking steps of mutual benefit, attainment of a positive balance in bilateral trade is entirely possible. Second, America's unfavorable balance of trade is exaggerated. If the United States would calmly think about it, it might find that adding in the large amount of added value exports transshipped through Hong Kong, as well as the exports and processing exports of enterprises in China in which American firms, Taiwan firms, Hong Kong firms, and the firms of other countries and territories have invested, and figuring all of them into Chinese exports to the United States is not entirely reasonable. In addition, the United States government should also create a more relaxed climate for American firms to expand their exports to China to put them in a more favorable competitive position. *On market access*

Since China and the United States signed a memorandum of understanding about market access on 10 Octo-

ber 1992, China has taken a series of positive actions to improve the transparency of its trade system, liberalize quantity restrictions, lower import tariffs, simplify import procedures, and solve plant quarantine problems. It has made a tremendous effort to provide China market access for foreign products. China has carried out, and is carrying out, diligently the various obligations agreed to in the market access memorandum of understanding. Nevertheless, the United States has not honored its promise to support China's GATT re-entry, and it still frequently sets up barriers against Chinese products. Cooperation between both parties on market access needs improvement. *On intellectual property rights*

With the intensification of reform and opening to the outside world, during the past more than a decade China has gradually built a fairly complete intellectual property rights (IPR) protection system. On 17 January 1992, China and the United States signed a memorandum of understanding on IPR protection. On 26 February 1995, China and the United States signed an action plan on effective protection and implementation of IPR. The two narrowly averted trade wars between the United States and China threatened but never became dangerous. In order to advance development of its own economy, and its own science and technology, and in order to mesh its economy with the world economy, China has steadily improved laws to protect IPR and has stepped up their enforcement; however, raising IPR to the current level of developed countries will take a reasonable amount of time. In order to consolidate and expand markets for its IPR products, the United States hopes that China will quickly raise the degree to which IPR are protected. This is understandable. However, threatening trade sanctions at the least little thing, and even raising issues that go beyond the category of IPR protection in order to harass and annoy is something that China firmly opposes. Both sides must continue to deal with problems and disagreements pertaining to IPR in a spirit of mutual respect and negotiation as equals, avoiding trade frictions or even trade wars that will cause suffering and losses for both sides. *On textile trade*

Textiles are one of the blockbuster products that China exports to the United States, the export volume of which accounts for nearly one-fourth of its exports to the United States. China and the United States have signed a total of four agreements on textile trade to look after the interests of both countries. America's several unilateral reductions in China's quota have not only not been effective in cracking down on illegal transshipments, but they have upset the normal trade order. It must be said that the viewpoint of both parties about cracking down on illegal transshipments is unanimous. Only by improving cooperation can this

problem be better solved. Unilateral reduction of quotas, which smacks of protectionism, not only does not halt illegal transshipments, but causes losses for businesses in both countries and for the interests of American consumers. The bill in the American Congress for an amendment of regulations on the origin of textiles and clothing also flies in the face of good sense. *On anti-dumping*

Anti-dumping aimed at Chinese products has also become a major obstacle damaging Chinese exports to the United States. Ignoring the fact that China is in process of building a market economy system, the United States continues to apply so-called substitute country prices as a criterion for anti-dumping. This is unfair. China opposes dumping as a means of expanding exports, but it also opposes anti-dumping as a pretext for promoting trade protectionism. *On China's entry into the World Trade Organization [WTO]*

Because America reneged on its promise to support China's GATT re-entry, and took the lead in requiring China to pay too high a price, China was unable to resolve the GATT re-entry problems before the birth of the WTO. This multifaceted problem has become an obstacle impairing trade between the United States and China. As a developing country, China was a full participant in the multilateral talks of the GATT Uruguay round, and it signed both the "final document," and the WTO agreement. China is still trying to enter the WTO as soon as possible. It is hoped that the United States will treat this problem fairly and positively.

In addition to the above problems, some differences also exist between China and the United States over service trade and arms sales. All these problems can be solved in time; none of them need become obstacles impairing Sino-U.S. trade cooperation.

Broad Prospects

In modern international society, interdependence among countries in economic relations is an objective reality that cannot be changed by human will. The proscription but failure to halt trade between China and the United States during the 1950s and 1960s attests to this point. In international relations and bilateral relations among countries, the weight of economic factors is an acknowledge fact in good handling of bilateral and multilateral trade relations. It affects world prosperity and stability, and it affects mankind's future. The United States is the world's biggest developed country, and China is the world's biggest developing country. Economic and trade relations between China and the United States have a major affect on the world economy and even on the political situation. I believe that the future for Sino-U.S. economic and trade relations is

bright and prospects are broad because: 2. *Both China and the United States have an inherent need to develop economic and trade relations:*

For the United States, the economy requires sustained development and money, technology, and products need markets. China has nearly one-fourth of the world's population, and China's sustained high speed economic development has steadily expanded the size of China's economy. A potential market of 1.2 billion is becoming a real market. The contradictions that further development of the American economy generates in the economic structure itself may be partially solved or ameliorated through economic and trade exchanges with China. In 1994, the United States Department of Commerce ranked China first among ten newly emerging world markets. This shows that the United States government recognizes how much support the China market can provide. For China, the acceleration of modernization, and the widening and deepening of reform and opening to the outside world requires the importation of sophisticated technology and equipment, the importation of foreign capital, and the widening of overseas markets as well. Not only is the United States the world's richest country, largest exporting country, and country possessing the most high technology, but it is also the world's largest market. Both in terms of imports and exports, and in terms of the development of mutual economic cooperation, the United States market is extremely important for China. 2. *Both China and the United States have the strength to develop bilateral economic and trade relations:*

Both China and the United States possess advantages in natural and manpower resources that are strongly complementary. America's technological, financial, and management strengths in combination with China's manpower and market strengths produce unbounded mutual economic cooperation prospects. In addition, China's and America's exports are also strongly complementary. An objective foundation exists for supplying each other's needs. Low price, attractive Chinese consumer goods such as textiles, clothing, shoes, toys, and household electrical appliances are warmly welcomed by American consumers, particularly medium and low income consumers. American products such as airplanes, machinery, electronics, chemicals, petroleum equipment, wheat, timber, and chemical fertilizer also enjoy a wide market in China. The United States is the world's largest trading country. In 1994, its imports totaled \$685 billion. This was 16 percent of total world exports making the United States, far and away, the front runner in trade. China's foreign trade is developing by leaps and bounds, China rising from thirty-second place in the world in 1978 to eleventh place in 1992. In 1994,

China's imports and exports totaled \$236.7 billion, and it is estimated that by 2000, China's imports and exports will break the \$200 billion mark. During the next five years, China's imports will reach a cumulative \$1 trillion. 3. *Development of economic and trade relations between China and the United States is in keeping with the fundamental interests of the people of both countries.*

Only when there is equality and mutual benefit can business continue to develop. The enterprises in both countries that engage in trade between China and the United States not only create opportunities for the production firms, and the consumers and customers in both countries, they also enable the development of their own businesses. Although China's exports to the United States currently account for only a tiny percentage of America's imports, some consumers — particularly low income consumers — are under less economic pressure because of low-priced Chinese goods. Therefore, every time someone in the United States causes difficulties on issues such as most favored nation treatment that threaten the normal development of trade between China and the United States, both entrepreneurs and consumers in the United States become filled with anxiety. It goes without saying that bilateral economic and trade cooperation provides both direct and indirect benefits to the economies of both countries. Among direct benefits, trade with China solves the employment problem of more than 200,000 people in the United States. In China, a million workers are engaged in processing exports to the United States. The benefits to joint venture enterprises and those employed in them are obvious. From every angle, long-term, steady development of Sino-U.S. economic and trade relations is consistent with the fundamental interests of the people of both countries, and it is also benefits the consolidation and improvement of national relations between the two countries. Imprudent actions that hurt economic and trade relations between the two countries are contrary to the will of the people. 4. *A fine foundation exists for development of economic and trade relations between China and the United States*

China and the United States have signed a series of accords, agreements, and memoranda of understanding in the economic, trade, industry, science and technology, plant quarantine, and IPR protection fields. One might say that rules to follow exist for bilateral economic and trade relations. Trade between the United States and China is already on a substantial scale; both countries may have a fairly good understanding of what each other can supply and need; and personnel contacts increase daily. It is particularly important that the leaders of both China and the United States have reached a basic consensus on the development of bilateral re-

lations. Chairman Jiang Zemin set forth foresightedly a 16 character policy for the development of China-United States relations, namely increase confidence, reduce irritants, develop cooperation, and do not engage in confrontations, which have real and far-reaching significance for the development of economic and trade relations between China and the United States. President Clinton's view that a prosperous, strong China is in keeping with the interests of the United States is also something that informed people both in and out of government should endorse.

In summary, economic and trade relations between China and the United States will certainly move forward. Dangerous shoals and hidden reefs will be encountered, but the tide of history cannot be reversed. We must have full confidence in the future of economic and trade relations between China and the United States. Naturally, viewing prospects for Sino-U.S. economic and trade relations with an optimistic attitude does not mean that we should close our eyes or regard lightly the problems and difficulties that exist today and may occur in the future. It is also dangerous to try to stop a powerful force with inadequate strength. Although the number of people who set out deliberately to damage the healthy development of economic and trade relations between China and the United States is extremely small, the disturbance and damage they do is great. Both governments and business firms must jointly strive to handle and solve actively, objectively, and fairly the problems that obstruct smooth development of economic and trade relations between China and the United States to enable Sino-U.S. economic and trade cooperation better create wealth for the people of both countries, and make a contribution to world stability and prosperity.

Agriculture

Ministry Notes Rise in Aquatic Production

OW2708074995 Beijing XINHUA in English
0726 GMT 27 Aug 95

[FBIS Transcribed Text] Beijing, August 27 (XINHUA) — China registered a 20 percent increase in output of aquatic products during the first half of this year, ensuring sufficient supply in the market.

Figures provided by the Ministry of Agriculture indicated that national aquatic production totaled 8.83 million tons in the period, up 1.46 million tons from a year ago.

The output growth led to a sharp increase in market transaction volume. Some 4.06 million tons of aquatic products valued at 41.1 billion yuan were sold on domestic market, up 30.2 percent and 39.5 percent respectively from the same period of last year.

The ministry said that the structure of aquatic products has been improving in recent years. Fresh and deep-processed products of high quality have been expanded in a bid to meet consumers' tastes.

As the output has kept increasing, the ministry forecast that prices of aquatic products will climb by no more than 15 percent for the year 1995.

Shaanxi Soil Erosion Project Going 'Smoothly'

*OW2708031095 Beijing XINHUA in English
0232 GMT 27 Aug 95*

[FBIS Transcribed Text] Xian, August 27 (XINHUA) — A soil erosion control project with the help of a 28-million-U.S.-dollar loan from the World Bank has been going smoothly in the northern part of Shaanxi Province in northwest China.

World Bank officials said the work that had been done is even better than the requirements of the bank, in a recent inspection of the Yanhe River valley, where the project is being implemented.

The valley of Yanhe River is one of the areas on the loess plateau where the soil erosion is the severest. A huge volume of precious topsoil is washed into the Yellow River each year.

The soil erosion project in the valley started in April 1994. The local government estimates that the whole project will cost a total of 400 million yuan and last for eight years. The completion of the project will bring soil-erosion in an area of 1,300 sq. km under control.

In the past year, local farmers have worked out 3,761 ha. of terraced lands, 13,350 ha. of forests, 3,310 ha. of orchards and 4,674 ha. of grasslands, according to local officials.

Money Allocated for More Livestock Production

*OW2808092695 Beijing XINHUA in English
0853 GMT 28 Aug 95*

[FBIS Transcribed Text] Xining, August 28 (XINHUA) — China has allocated 50 million yuan to help localities to improve grassland and raise more livestock this year.

According to statistics, China has 400 million ha of grassland, accounting for 40 percent of the country's total territory.

These areas are distributed mainly in poor, remote and border areas, where ethnic minority people live in compact communities.

A survey has shown that 266 counties specializing in animal husbandry raised 150 million head of livestock last year, accounting for 39 percent of the country's total.

To accelerate the growth of animal husbandry, the Ministry of Agriculture has drawn up a blueprint to expand artificial and improved grassland to 33 million ha by the year 2000 so as to feed more domestic animals.

East Region

Anhui Government To Help Ease Poverty

OW2708030995 Beijing XINHUA in English
0211 GMT 27 Aug 95

[FBIS Transcribed Text] Hefei, August 27 (XINHUA) — The government of Anhui Province, one of China's agricultural producers, has decided to help the remaining 2.1 million poor people to jump out of the poverty line by the end of 1997.

A provincial official said that these people live mainly in deep mountain areas with adverse natural and production conditions.

The provincial government will grant more special funds and loans as well as preferential policies to help them to boost production.

It will arrange loans to help poor areas to set up enterprises to process farm and animal products so as to develop local economy while encouraging government institutions and major industrial enterprises to support the poor areas.

Fujian Female Vice Mayor Elected

OW2608141695 Beijing XINHUA in English
1355 GMT 26 Aug 95

[FBIS Transcribed Text] Fuzhou, August 26 (XINHUA) — Dr. Zhou Zhenping, a young female vice mayor of Shishi City, Fujian Province, who is unwilling to meet reporters, reluctantly gave an interview to XINHUA recently.

"What I need at present is not the reputation but the time to do something for the people so as to keep my promise," explained the vice mayor who was having a bad cold.

The 30-year-old Zhou who completed her doctor's degree of economy in Xiamen University, Fujian Province, is busy preparing report on women's participation in the political forum at an international Non-Governmental Organization Forum to be held in Beijing next month.

Believing that "woman is able to do whatever man can do", Zhou always encourages womenfolk to be confident and self-respect and become stronger by "working hard and continuously widening the general knowledge."

Born into an ordinary family in the remote poor mountain area, where women were regarded inferior than men, Zhou was lucky to enjoy the same treatment as her brothers to go to school.

She studied very hard, and entered Xiamen University majoring on finance and banking when she was only

15 years old. She became the youngest lecturer in the university after she completed the Master's course.

In the early 1993, Zhou became an at-the-post postgraduate student under Professor Deng Ziji, a well-known economist.

"When I learned that the city government had planned to employ a female vice-mayor under 35 years old through public competition and under the principle of "equality" in September 1993, I wanted to have a try to test my ability," Zhou recalled.

Zhou, who is gifted with talent and insight far beyond the average persons, succeeded in becoming the first female vice-mayor of the city in November, 1993.

Zhou has kept her rigorous scientific approach since she took up the post.

Vowing to be honest in performing her official duties and do something for the people, Zhou made one-month study and investigation of the whole city, and then put forward that Shishi City has to slow its economic development speed and concentrate on solving problems emerged over the past five-year development.

"This will enable this rising city to grow faster in the coming years," the frank and straightforward Zhou said.

The vice-mayor who is now in charge of the city's economic work still remains single.

"To me, work comes first and family second," said the manly Zhou who has devoted almost all her time to working as same as other male mayor and vice-mayors.

"Only by working hard and continuously enriching our general knowledge and professional experience, can we women stand equally with the man," Zhou said.

Wu Guanzheng Elected Jiangxi Party Secretary

OW2608141595 Beijing XINHUA in English
1355 GMT 26 Aug 95

[FBIS Transcribed Text] Nanchang, August 26 (XINHUA) — Wu Guanzheng was elected secretary of the Jiangxi Provincial Committee of the Communist Party of China (CPC) here today.

Wu was elected at the first plenary session of the 10th congress of the committee.

Meanwhile, Shu Shengyou, Shu Huiguo, Huang Zhi-quan, Zhong Qihuang were elected deputy secretaries of the CPC Jiangxi Provincial Party Committee at the session.

Ma Shichang was elected secretary of the CPC's Jiangxi Provincial Commission for Discipline Inspection.

Shandong's Weihai Zone Becoming 'Silicon Valley'
OW2808060895 *Beijing XINHUA in English*
0552 GMT 28 Aug 95

[FBIS Transcribed Text] Weihai, August 28 (XINHUA)
— The Weihai High-Technology Industrial Development Zone in Shandong Province has developed into a "Silicon Valley".

One of the three "Torch" high-tech industrial development zones set up by the State Commission of Science and Technology, the zone has seen the establishment of 220 high-tech industrial projects involving 2.3 billion yuan in investment since it was established in 1991. Included are 80 which already have gone into production, and about 100 under construction.

The zone is home to such new- and high-tech industries as electronic information, the combination of machinery and electronic appliances, bio-engineering, new energy and new materials.

According to Li Guodong, chairman of the Administrative Committee of the Weihai High-Tech Industrial Development Zone, construction of an electronics park, a pharmaceuticals town, a science and technology development park and an industrial park opened by business people from the Republic of Korea is in full swing.

Covering 20 sq km, the zone has so far approved the establishment of more than 700 projects with a combined investment totalling 3.2 billion yuan.

Shandong To Improve Urban Infrastructure
OW2608144695 *Beijing XINHUA in English*
1440 GMT 26 Aug 95

[FBIS Transcribed Text] Weihai, August 26 (XINHUA)
— East China's Shandong Province plans to build and improve more urban infrastructural facilities to meet the needs of increasing population and rapid economic development.

According to Li Chunting, governor of the province, Shandong has expanded the number of cities from nine in the early 1980s to 46 at present, ranking second in the country.

The province has a population of 86 million, and the floating population accounts for more than 30 percent of the total urban population at present.

By the end of this century, the amount of surplus rural laborers who leave the field work to engage in industry and service trade will rise by 10 million, and many of them will flow to cities.

The governor has urged for speeding up the construction of urban infrastructural facilities to enable the urban

tree coverage to reach 32 percent, and ensure at least 70 percent of households to cook with gas. Progress will be made in the control of waste water, and in the expansion of commercial and transport facilities.

Shandong Holds Construction Work Conference
SK2608044395 *Jinan Shandong People's Radio*
Network in Mandarin 2300 GMT 25 Aug 95

[FBIS Translated Text] The provincial urban construction work conference was held in Weihai on 25 August.

The main subject discussed at the conference was to study how to accelerate the pace of urban modernization in order to meet the needs of economic and social development.

Zhao Zhihao, secretary of the provincial party committee, and Li Chunting, governor of the provincial government, attended and addressed the conference.

Zhao Zhihao pointed out in his speech: We should further shift the focus of urban construction onto improving quality and efficiency; expand the dynamics of urban construction reform; establish as quickly as possible a multi-channeled investment mechanism characterized by local investment, paid use of urban infrastructure facilities, reasonable [words indistinct] of road undertakings, attraction of social investment, and introduction of foreign capital; strive to upgrade the scientific and technological level of urban planning; combine the nature of the economy with the nature of art; combine [words indistinct] with local special features; and map out a new blueprint for our province's urban construction.

Zhao Zhihao stressed that the construction of small towns is important to the province's urban construction. He stated: Without economically-modernized rural areas, there will be no [words indistinct] urban modernization in the province. We should pay great attention to the construction of small towns; realistically achieve the construction of the urban ecological environment, the reconstruction of old houses, and the overall development of (?new suburbs); and strengthen the overall improvement of the urban environment in an effort to provide a graceful, beautiful, comfortable, and convenient living environment for the people. We should persist in the principle of doing our best and acting according to our capabilities. We must not blindly develop new projects to the negligence of our financial capacity. We should further strengthen the construction of urban construction workers and cadre contingents; upgrade the professional ability of the staff, workers, and cadres on the urban construction front; and foster a good image throughout society.

At the conference, Li Chunting expounded in detail the important significance of urban construction as well as the strategic goal for urban construction in the next 15 years.

Li Zhendong, vice minister of construction, and Zhang Ruifeng, vice governor of the provincial government, also made speeches at the conference.

The conference approved the regulations of Shandong Province on the scientific management of urban construction and the namelist of the personnel of the provincial urban construction organization. Li Chunting was elected as the chairman of the organization.

Shanghai Forum Studies Deng Xiaoping's Theory

OW2608130095 Shanghai JIEFANG RIBAO
in Chinese 8 Aug 95 p 1

[Unattributed report: "The Municipal Party Committee Holds a Forum on Thoroughly Studying Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics To Constantly Deepen Theoretical Study; Chen Zhili Chairs and Addresses the Forum"]

[FBIS Translated Excerpt] Yesterday morning, the municipal party committee held a forum on conscientiously studying the "program" [for studying Deng Xiaoping's theory] and thoroughly studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Chen Zhili, deputy secretary of the municipal party committee, chaired and addressed the forum.

In their speeches, comrades attending the forum maintained: In recent years, especially since Comrade Deng Xiaoping delivered his important speech during his inspection tour of southern China, and since the 14th National CPC Congress, cadres with party membership in Shanghai have earnestly studied and put into practice Deng Xiaoping's theory of building socialism with Chinese characteristics, achieving tremendous success in "bringing about changes each year and major changes every three years." To achieve the goal for the next three years and meet the challenges of the 21st century, we must also follow the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics. To this end, we should further deepen theoretical study. Deng Xiaoping's theory of building socialism with Chinese characteristics is Marxism in contemporary China; an inherited and improved version of Marxism-Leninism-Mao Zedong Thought; and a powerful ideological weapon and a guide to action for advancing reform, opening up, and socialist modernization. Thoroughly studying Deng Xiaoping's theory of building socialism with Chinese characteristics has long-term political significance and great practical significance.

In summing up theoretical study in their localities and departments, comrades attending the forum pointed out: We achieved remarkable results in our theoretical study as we carried it out through central study groups at two levels under a learning system that combined theory with practice, and used Deng Xiaoping's theory of building socialism with Chinese characteristics to unify thinking on major issues. The party committees of some localities and departments urged leading cadres to set learning priorities in each stage while comprehensively and systematically mastering this scientific theoretical system. In conjunction with the three-year plan for party building, for example, they conducted education among leading cadres on fostering a sense of responsibility toward the party, masses, and overall interests, thus heightening the sense of mission and responsibility among leading cadres, and helping them do a better job of leading people in throwing themselves into the practice of reform and construction.

On how to deepen theoretical study, participants maintained: We should do a solid job of studying the "Selected Works of Deng Xiaoping," using the "program" as an important learning aid. Leadership is crucial to success in theoretical study. We should study in light of the actual state of work and ideology in our localities and departments. Theoretical study should be conducted through various channels at various levels. Also, we should intensify theoretical research and do a good job of popularizing and publicizing theory to advance and promote theoretical study in an ever-deepening manner.

In his speech, Comrade Chen Zhili pointed out: We should earnestly study the "program," intensively study Comrade Deng Xiaoping's works, and constantly deepen theoretical study. Leading cadres should constantly enhance their understanding of the great significance of Deng Xiaoping's theory of building socialism with Chinese characteristics; heighten their awareness of the importance of studying; and grasp the essence of emancipating their minds and seeking truth from facts during the course of studying to master this scientific theoretical system in an all-around manner. They should pay attention to study methods; link theory with practice; conduct in-depth investigations and study; institute and improve all essential systems for theoretical study; step up efforts to exchange and sum up learning experience through various means; bolster the theoretical ranks; and give full rein to the role of mass media in publicizing theory. [passage omitted]

Shanghai Campaigns for 'Civilized' Behavior*OW2808020495 Beijing XINHUA in English
0126 GMT 28 Aug 95*

[FBIS Transcribed Text] Shanghai, August 28 (XINHUA) — This biggest industrial city in China has launched a massive campaign to call on its citizens to abstain from behaving in ways incompatible with its status as a modern city.

Radios, TVs and newspapers use ads, mini-dramas and other forms to educate citizens to behave in a civilized way. Pamphlets are also handed out to passers-by on the streets.

Chen Zhili, deputy secretary of the city's Communist Party Committee, said that the campaign attempts to drive home "seven NOs" into the mentality of the local people: no spitting, no littering, no foul language, no damaging public facilities, no jaywalking, no damage to greenery and no smoking in public places.

She said that the number of people fined for spitting and littering during the first five months of the year rose 20 percent over the same period last year in the city. Each offense cost the offender 0.5 yuan.

She said that although the sanitary conditions of the city's main commercial streets are generally good, they are the result of repetitive sweepings by numerous sanitation workers.

"The 2.2 km Huaihai Road is clean because 36 sanitation workers sweep it 14 times a day," she said. "We hope to be able to keep the streets clean by sweeping them only once a day, and that requires the citizens' co-operation."

Shanghai Sentences Seven Defendants to Death*OW2508051995 Shanghai People's Radio Network
in Mandarin 2300 GMT 21 Aug 95*

[From the "990 Morning News" program]

[FBIS Translated Text] Shanghai's First Intermediate People's Court held a public trial on 21 August. The court, in accordance with the law, gave verdicts of the first instance to a group of defendants who were accused of deliberately committing murder, robbery, and other serious violent crimes. Tan Guihua, Liu Xingguang, and five other defendants were sentenced to death or death with two years of probation [sentence as heard].

These criminals, who were punished sternly in accordance with the law, committed heinous crimes in extremely cruel ways. They caused five deaths and two minor injuries and took away money and goods worth 110,000 yuan or more. Four of the criminals were non-residents.

Zhejiang Reports 'Success' in Land Reform*OW2408122595 Beijing XINHUA in English
1209 GMT 24 Aug 95*

[FBIS Transcribed Text] Hangzhou, August 24 (XINHUA) — East China's Zhejiang Province has had some success in its land use reforms, from the free transfer of land to leasing, according to the local Bureau of Land Administration.

To date, the province has leased 4,284 ha of land, pulling in about 10 billion yuan (about 1.2 billion US dollars) in rental fees.

The leased land accounted for 26.73 percent of the total land supply, putting it above the national average.

The province began experimenting with land reforms in 1989, revising until now, when a standardized market has begun to take shape. All cities and counties in Zhejiang have begun to use the leasing methods, instead of the previous transfer methods.

The use of leases helps by developing a more balanced use of different sectors of land. Land for industrial projects, for example, accounted for 47.65 percent of the leased total, comprehensive projects, for 22.77 percent, residential housing, for 17.68 percent, commercial use, 11.21 percent, and cultural or health club use, 0.69 percent.

The leases have helped both to curb abusive use of cultivated land and to guarantee land for construction units.

Over the past six years, land administrations have stopped projects involving unreasonable use of about 23,162 mu (15 mu equal 1 ha) of land, saving about 690 million yuan in fees.

North Region**Beijing Reports Semi-Annual Economic Operation***SK2408114995 Beijing BEIJING RIBAO in Chinese
23 Jul 95 p 1*

[By reporter Si Jinghui (0674 2529 6540): "Macroeconomic Control Sees Good Results, and the Economic Development Trend Is Good"]

[FBIS Translated Text] A few days ago, the Beijing Municipal Statistical Bureau made public the municipality's economic development situation in the first half of this year. According to the statistical data, in the first half of this year, Beijing's macroeconomic regulation and control witnessed good results, and its economic development trend was good. The vast numbers of cadres and the masses in the municipality firmly supported

and conscientiously implemented the major decisions and instructions on Beijing's work adopted by the CPC Central Committee and consciously submitted and oriented themselves to the general task for the whole party and the whole country. Meanwhile, under the leadership of the municipal party committee and the municipal government, they persistently focused all their work on economic construction, stood fast at their posts, and spared no efforts to do their work, thus effecting a sustained, rapid, and sound development of the economy and marching toward the predetermined orientation set for the macroeconomic regulation and control.

In the first half of this year, the major characteristics of Beijing's economic operation were as follows:

First, economic growth was tending towards stability at a high level, and the comprehensive economic strength was enhanced further.

In the first half of this year, the municipal gross domestic product [GDP] was 60.71 billion yuan, up 12.5 percent over the corresponding period last year when calculated in terms of constant prices. Compared with the figure of 11.8 percent in the period from January to April this year, the increase GDP rate was accelerated by 0.65 percentage points. When viewed from the increase in various industries, the primary industry increased by 5.4 percent, the secondary industry increased by 12.4 percent, and the tertiary industry increased by 13.3 percent, that was higher than others.

Financial revenues increased by a large margin. In the first half of this year, the local financial revenues of the municipality amounted to 4.06 billion yuan, up 49.8 percent over that in the corresponding period last year, of which, industrial and commercial taxes increased by 41.9 percent.

Second, industrial and agricultural production developed in an all-round way, and social supplies continued to increase.

Industrial production and marketing increased steadily, and the rate of contribution made by state-owned enterprises as well as large and medium-sized enterprises was enhanced. In the first half of this year, the municipality's industrial added value totaled 25.02 billion yuan, up by 11.3 percent over the same period last year when calculated in terms of constant prices. The total industrial output value was 67.17 billion yuan, up by 14 percent. Industrial growth rate was basically normal. Conspicuous characteristics of industrial production in the first half of this year were: 1) Production of state-owned enterprises as well as large and medium-sized enterprises increased steadily, and the rate of contribution made by these enterprises was enhanced. In the first half of this

year, output value of state-owned enterprises amounted to 38.16 billion yuan (including controlled shares), up by 5.4 percent over the same period last year, and that of large and medium-sized enterprises amounted to 34.38 billion yuan, up by 9.3 percent. In the newly added output value of the municipality, the rate of contribution made by state-owned industry was 23.7 percent, and that by large and medium-sized industrial enterprises was 35.6 percent, respectively, showing an increase of 8.4 and 29.2 percentage points over the same period last year, thus satisfactorily displaying their backbone role. 2) The development of the pillar industry tended to be good. In the first half of this year, the output value of the motor industry was 4.62 billion yuan, up by 31 percent over the same period last year. The output value of electronics and building materials industries increased by 4.4 percent and 8.2 percent from the high base figure of last year. 3) Export-oriented industry continued to develop rapidly. In the first half of this year, the output value of foreign-funded industrial enterprises of three types was 12.46 billion yuan, up by 34.9 percent over the same period last year; and the output value of products exported by these enterprises was 6.07 billion yuan, up by 28.9 percent. 4) Marketing rate of products was raised, and economic efficiency improved somewhat. In the first half of this year, the municipal marketing rate of industrial products was 95.5 percent, up by 6.05 percent over the corresponding period last year.

A bumper harvest was again reaped in summer grain, and the output of agricultural and sideline products increased steadily. Despite such natural calamities as low temperatures, droughts, and waterlogging, a good harvest was again reaped on 2.584 million mu of summer grain fields. Total output of summer grain surpassed 1 billion kg to reach 1.004 billion kg, up by 3.5 percent over last year. Construction of food basket project witnessed good results. Based on the 650,000 mu of vegetable fields last year, another 72,000 mu of vegetable fields were put into production this year. Total vegetable output reached 1.424 billion kg, up by 22.7 percent over the same period last year. The output of eggs and slaughtered pigs increased by 4.6 and 6.6 percent, respectively.

Third, positive results were achieved in macroeconomic regulation and control, and the total demand was put under control.

By strengthening macroeconomic regulation and control, the two kinds of demands, investment and consumption, were brought under effective control this year, with their increase margin decreasing obviously and their increase rate comparatively reasonable.

The scale of fixed assets investment was brought under control. From January to June, the completed investment in fixed assets throughout the municipality was 22.02 billion yuan, up by 35.2 percent over the same period last year. However, compared with the same period last year, the increase rate dropped by 35.2 percent. In the total investment, the investment completed by localities was 15.29 billion yuan, up by 26 percent, with the increase rate dropping by 56.2 percent from that in the same period last year. Construction of some key projects of the state and the municipality, including the Western Passenger Railway Station, the China International Broadcasting Center, the second and third phases of the No. 9 Water Plant, and the office building of the municipal committee of the Chinese People's Political Consultative Conference, was under smooth progress.

Fourth, markets were brisk and vivid, and domestic marketing and foreign trade developed rapidly.

There was an ample supply of goods on consumer markets, being brisk in both buying and selling. In the first half of this year, the total amount of retailed commodities in the municipality amounted to 39.98 billion yuan, up by 25.6 percent over the same period last year. This year, there was no obvious consumption craze on consumer goods markets, and the shopping mentality of residents was stable. Consumption of food; clothing; and daily appliances increased by 44.7 percent; 7.9 percent; and 18.3 percent, respectively.

Foreign trade developed rapidly. In the first half of this year, the accumulative volume of import and export was \$1.86 million, up by 40.1 percent over the same period last year. Of this, export was \$1.32 billion, up 35.9 percent. The effectiveness in utilizing foreign funds was enhanced. In the foreign-invested projects newly approved in the first half of this year, the proportion of productive projects was as high as 73.8 percent, up by 2.2 percent over the same period last year. Since the beginning of this year, the rate of the arrived funds of foreign-invested enterprises was 68.1 percent, up by 6.1 percentage points over the end of last year. Thus far, 3,604 foreign-invested enterprises have started business, 618 more than the figure at the beginning of the year.

Fifth, loaning structure improved, and monetary situation was basically normal.

By the end of June, savings deposits of banks throughout the municipality amounted to 270.7 billion yuan, 37.04 billion yuan more than the amount at the beginning of this year. Of this, savings deposits of urban and rural residents amounted to 100.14 billion yuan, 15.21 billion yuan more than the amount at the beginning of this year, with the increase amount raising by 37.8 percent

over the same period last year. Affected by the financial policy of appropriate retrenchment, the increase amount of loans was curbed, and the loaning structure improved. The newly added amount of medium- and long-term loans was curbed by 85.4 percent, and the short-term loans oriented to supporting the production of enterprises increased substantially. In the first half of this year, the increase amount of short-term loans went up by 39.4 percent over the same period last year, thus effectively relieving the money demands of major profit and tax payers, and bringing along the development of the state-owned industry.

Sixth, the margin increase of commodity prices dropped, and the people's living standards improved steadily.

The municipal party committee and the municipal government regarded the control over the excessively rapid price hikes as the top task on macroeconomic regulation and control. Practical results were achieved in the measures of paying attention to the basic agricultural work, ensuring the supply of "food basket" items, strictly controlling new price increase items, and vigorously consolidating the order in the circulation sphere. In the first half of this year, the increase margin of retail prices was 13.2 percent, 5.6 percentage points lower than that in the same period last year.

Based on economic development, the people's living standards improved steadily. Comparing the first half of this year with the same period last year, income of urban residents available for living expenses increased by 23.9 percent; the per capita average wages of workers and staff increased by 26.2 percent; and the per capita income of peasants increased by 38.4 percent. Deducting price hike factors, the real increase basically reached the goal of a 5 percent increase.

In the first half of this year, marked results were achieved in macroeconomic control and economic construction. However, there were still some contradictions and problems that hampered sound development of the economy. Major indicators were: The quality of industrial economic operation needed further enhancement; the structure of fixed assets investment still needed readjustment; and there were still some difficulties in attaining the annual price control target.

In the second half of this year, we should continue to implement the central authorities' guiding principle on Beijing's work; continue to appropriately handle relations between reform, development, and stability; give priority to the tasks on strengthening macroeconomic control, improving the quality of economic operation, readjusting and improving economic structure, and strictly control commodity prices; and actively do

the work in all fields to promote sustained, rapid, and sound development of the economy.

Hebei's Fuping Builds 10 Satellite TV Stations

SK2808065895 Beijing BEIJING RIBAO in Chinese
25 Jul 95 p 1

[Unattributed report: "Ten Ground Satellite Television Reception and Relay Stations Established in Fuping"]

[FBIS Translated Excerpt] Supported by the China Cultural and Poverty Relief Committee and the Beijing Mudan Electronics Industrial Group Company, construction of the 10 ground satellite television reception and relay stations was formally completed in Fuping County, Hebei Province. The ceremony marking the start of broadcasting was held on 23 July at Fuping County's Chengnan Village, the location of the headquarters of the former Shanxi-Qahar-Hebei Military Region. [passage omitted]

Early this year, the China Cultural and Poverty Relief Committee and the Central Television Station decided to carry out the "television poverty relief project" in Fuping County. The cultural and poverty relief committee sent specialized persons to Fuping to conduct on-the-spot investigation, and then decided to build 10 ground satellite television reception and relay stations in Chengnan Village and Taiyu. Upon completion of these 10 stations, the television coverage rate of Fuping County will be raised to 90 percent or higher. [passage omitted]

Hebei Province To Seek Domestic Investment

OW2508083995 Beijing XINHUA in English
0703 GMT 25 Aug 95

[FBIS Transcribed Text] Beijing, August 25 (XINHUA) — North China's Hebei Province has attracted 4.7 billion yuan in domestic investment from other parts of the country over the past two years, in a move to improve its economic potential.

The advantage of being adjacent to Bohai Bay, Beijing, and Tianjin, the latter two of which are China's major cities, has made Hebei a hot-spot for investment for other provinces and cities in China.

As a result, the province has started more than 200 big projects, each with a total investment of over ten million yuan.

Hebei has also introduced new foreign-investment methods, using domestic funds to set up large enterprises to try to draw foreign investment to make an even larger joint venture.

Thus far, some 120 such enterprises have been established in the province, with a contracted foreign investment of more than one billion US dollars.

Hebei's Capital Undertakes Suburban Reform

OW2808070695 Beijing XINHUA in English
0642 GMT 28 Aug 95

[FBIS Transcribed Text] Shijiazhuang, August 28 (XINHUA) — Overall suburban reform on a trial basis is being carried out in this capital of Hebei Province.

Covering 156.8 sq km, the area has a population of 175,000 and 6,066 ha of farmland. Its social product last year totalled 8.92 billion yuan-worth, its rural income amounted to 8.52 billion yuan, its domestic product reached 3.45 billion yuan, and its farmers' income averaged 2,589 yuan per capita.

"The reform of Shijiazhuang's suburban area will set an example for more than 500 cities in the country with similar conditions," Xiao Wanjun, deputy director of the Policy Research Office of the Central Committee of the Communist Party of China, said.

The purpose of the reform is to narrow the gap between urban and rural areas, and establish different urban and suburban systems to provide a basis for the central government to make policies, Xiao noted.

Private Businesses, Firms 'Thriving' in Hebei

OW2808092195 Beijing XINHUA in English
0847 GMT 28 Aug 95

[FBIS Transcribed Text] Shijiazhuang, August 28 (XINHUA) — Businesses run by the self-employed and private firms are thriving in north China's Hebei Province.

Local statistics show that to date, 1.495 million self-employed business people and 23,100 private firms have been given approval to operate, up 7.4 percent and 19.5 percent, respectively, from the end of last year.

Since the beginning of this year the local government has stipulated a series of preferential policies concerning taxation, finance, land use and employment, paving the way for the smooth development of the private economy.

With support from the government, the scale of the private businesses is expanding, with the average registered capital of self-employed business people amounting to 7,000 yuan and that of privately run firms to 280,000 yuan.

Their output value totaled 13.22 billion yuan in the first half of this year, an increase of 143.4 percent over the

corresponding period of last year. Their export volume shot up 8.63 million yuan during the period.

Meanwhile, local authorities have strengthened legal administration over the businesses. In the first half of this year, 7,022 cases of illegalities in private business management were dealt with by the local authorities.

Inner Mongolia's Secretary Views Deng's Theory

SK2808011895 Hohhot NEIMENGGU RIBAO
in Chinese 27 Jul 95 p 1

[Report by Chen Li (7115 0500): "Accelerate Reform, Opening Up, and Modernization of the Region by Mastering Scientific Theory and Affirming Belief in Success"]

[FBIS Translated Excerpt] On the afternoon of 24 July and the morning of 25 July, the central group of the regional party committee concentratively studied the "Outlines for Studying Comrade Deng Xiaoping's Theory of Building Socialism with Chinese Characteristics" and profoundly pondered over and discussed major issues related to the overall situation that were addressed by the regional mass study and mass discussion of the socialist market economy.

Attending the study were Liu Mingzu, Bai Enpei, Wang Zhan, Wuyunqimuge, Yun Bulong, Feng Qin, Han Maohua, Bai Yin, Wan Jisheng, and Zhou Dehai.

Liu Mingzu said in his speech: The 14th party congress decided to arm the entire party with Comrade Deng Xiaoping's theory of building the socialism with Chinese characteristics, and the fourth plenary session of the 14th CPC Central Committee set forth the task of using three years to organize the vast numbers of party members to study the theory of building socialism with Chinese characteristics. Both of them are strategic measures bearing on the future destiny of socialism. Only by being clear and steadfast in theory can we be clear and steadfast in politics. Only by mastering the theory of building socialism with Chinese characteristics can we get rid of various puzzles and doubts with regard to socialism, can we verify the belief in socialism, can we surmount every difficulty, and can we work hard for fulfilling the great task on reform, opening up, and socialist modernization.

Liu Mingzu said: Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics has scientifically answered such basic theoretical questions as "what socialism is, and how to build socialism." His theory has also changed outmoded concepts, clearly distinguished between right and wrong concerning theoretical questions, and fundamentally defined the orientation and goals for the development of Chinese society. Over the

past 16 years, all the practical activities with regard to China's reform, opening up, and modernization drive have been launched under the guidance of this theory. With this theory, the social productive forces have been liberated again and have developed greatly, and our economic construction has witnessed the achievements that have attracted worldwide attention. We should further affirm our confidence in following the path of socialism with this theory and with the achievements scored in practice. At the same time, we should be good at approaching the future and destiny of socialism with the viewpoint of history and the viewpoint of development, instead of staying at a certain point. We should not judge the merits and demerits of this theory based on temporary success or failure. We should fully understand that replacing capitalism with socialism remains the major trend of the development of world history, and replacing capitalism with socialism is an arduous, tortuous, complicated, and endless historical process. Liu Mingzu pointed out: In affirming the belief in socialism, we should also profoundly comprehend the thesis that the theory of building socialism with Chinese characteristics is a "great banner." Comrade Deng Xiaoping's theory has clear-cut characteristics of revolution and practice. By profoundly understanding and systematically mastering this theory, leading cadres at all levels will be able to affirm confidence in socialism, sweep away the confused ideas and seize the essence, clearly understand the trends, brace themselves up, and unite and lead all the people to march towards the set goals together.

Inner Mongolia Hosts Desertification Symposium

OW2608014695 Beijing XINHUA in English
0100 GMT 26 Aug 95

[FBIS Transcribed Text] Hohhot, August 26 (XINHUA) — China's first symposium on oasis construction has been held in this capital of north China's Inner Mongolia Autonomous Region.

A total of 55 papers and investigation reports from around the country represented the major achievements of China in the field over the past decade or so.

The theme of the symposium was "Countering Desertification and Constructing Oases".

The investigation reports focused on north and northwest China, where most of the country's deserts are located, and proposed various solutions.

There are now five major oasis belts in China, located respectively in the Tianshan and Kunlun mountains in the Xinjiang Uygur Autonomous Region, the Gansu Corridor in Gansu Province, the Qaidam Basin in

Qinghai Province, the Hetao Plain in Ningxia and in the Inner Mongolia autonomous Region.

The largest oasis is in the Xinjiang Uygur Autonomous Region. After 40 years of construction the area of artificial oases in Xinjiang has expanded to some 58,000 sq km, 3.5 times the area of such oases when New China was founded in 1949. Sixty-five percent of the farmland in the region now is under the protection of shelter forests.

Many areas once threatened by deserts have become densely-populated and afforested.

Inner Mongolia Set To Expand Development

OW2608015595 Beijing XINHUA in English
0131 GMT 26 Aug 95

[FBIS Transcribed Text] Hohhot, August 26 (XINHUA) — North China's Inner Mongolia Autonomous Region is set to open wider to the outside world, according to a conference here that just closed.

The regional government developed a series of policies governing economic co-operation, foreign investment, and attracting of domestic funds at the conference.

Since the beginning of the year, the northern part of the region has taken to the opening drive with full strength, with some 18 banners and counties on the northern border devoting greater efforts to trading in cash.

In Manzhouli, Erenhot, and Ergun, the trade volume in cash was up five to 10 times over last year's, and industries recently concluded 168 economic and technical co-operation agreements with the port city of Tianjin.

They have also consolidated economic and technical ties with Beijing, north China's Hebei Province, and east China's Shandong, Jiangsu, and Zhejiang provinces.

State-owned enterprises and mines have seen a new inflow of foreign investment this year, with factories in Baotou having attracted over 30 million US dollars to the city in July alone.

The region set up new strategies for its future development at the conference:

First, to open up the northern border and to co-operate with southern areas so that resources, markets, and capital both at home and abroad can be used to speed up the development of the region.

Second, to motivate large and medium-sized state-owned enterprises and township enterprises to develop border trade.

Third, to use Baotou, Hohhot, Hulun Buir League, and Chifeng as pilot cities of the opening-up and to

perfect the infrastructure in Manzhouli, Erenhot, and other trading port cities.

Tianjin Holds Inventory Work Conference

OW2408141495 Beijing XINHUA Domestic Service
in Chinese 0745 GMT 23 Aug 95

[By ZHONGGUO ZHENGQUAN BAO reporter Xu Ting (1776 1250) and XINHUA reporter Jiao Ran (3542 3544)]

[FBIS Translated Text] Beijing, 23 Aug (XINHUA) — The State Economic and Trade Commission held a "work conference on limiting the production of overstocked commodities and reducing the inventory of such commodities in northern, northeast, and northwest regions" from 22 to 24 August in Tianjin. Shi Wanpeng, State Economic and Trade Commission vice minister, pointed out at the conference: In our country, too much capital is still tied up as a result of overstocked finished industrial products; accounts receivable remain high; and some areas are still blindly seeking high output value. Since the task of limiting the production of overstocked commodities and reducing the inventory of such commodities is arduous during the second half of this year, we must continue implementing various measures in earnest.

Shi Wanpeng said: With the support of departments under governments at all levels, the integration of production and marketing of industrial products across the nation continued in a favorable direction during the first half of this year. First, sales of industrial products grew rather rapidly, up 29.4 percent from the same period last year. Second, the production-sales ratio rose steadily. By the end of June, industrial enterprises at or above the township level across the nation had posted a production-sales ratio of 94.59 percent, an increase of 1.9 percentage points over the same period last year. Third, the number of days needed to sell overstocked finished products decreased somewhat. Fourth, the total amount of accounts receivable in key sectors was somewhat smaller.

Existing problems also merit attention, however. According to statistics, as of the end of June, funds tied up as a result of overstocked finished products in industrial enterprises at or above the township level across the nation totaled 427.249 billion yuan, an increase of 68.09 billion yuan or 18.9 percent over the same period last year. Accounts receivable were as high as 737.6 billion yuan, an increase of 127.253 billion yuan or 20.85 percent over the same period last year. The aforementioned two types of funds topped 1.16 trillion yuan, aggravating fund shortages in enterprises. Moreover,

the second-quarter production-sales ratio was somewhat smaller than that of the first quarter.

The goal set by the State Economic and Trade Commission for this year's efforts to limit the production of overstocked commodities and reduce the inventory of such commodities is: Raising the production-sales ratio to 96 percent or more, and reducing the average number of days needed to sell overstocked finished products to less than 43 across the nation.

To achieve this goal, the State Economic and Trade Commission will work with banks to stop providing loans for chronically overstocked and unmarketable products; if necessary, it will coordinate actions by relevant departments to curtail power supply and transportation service with a view to limiting or halting production, or shifting to other lines of production. The State Economic and Trade Commission also promoted the experience of coal and metallurgical industries in helping enterprises adopt the following three no's measures designed to quickly recover sales-financing loans granted to enterprises: "Not delivering goods before cash is paid, not delivering goods before commercial bills are presented, and not arranging production if the other party lacks funds."

Tianjin Holds Forum on Discipline Inspection

SK2408115495 *Tianjin TIANJIN RIBAO in Chinese*
28 Jul 95 p 1

[By reporter Wu Xuechan (0702 1331 1292): "We Should Focus Our Efforts To Make Breakthroughs in Investigating and Handling Major and Appalling Cases"]

[FBIS Translated Text] On 26 July, Hou Zongbin, deputy secretary of the Central Commission for Discipline Inspection, came to our municipality to hold a forum and listen to our municipality's reports on investigating and handling cases. He pointed out that we should increase the momentum of making breakthroughs in handling cases at present, focus our efforts to investigate major and appalling cases, and achieve new results in this task within this year.

Attending the forum were Gao Dezhan, secretary of the municipal party committee; Liu Fengyan, member of the municipal party committee standing committee and secretary of the municipal commission for discipline inspection; and Zheng Zhiying, secretary general of the municipal party committee, and the persons in charge from the relevant districts, counties, commissions, and bureaus.

In the forum, the persons in charge from the municipal commission for discipline inspection; the discipline-

inspection group of the municipal industrial work committee; the discipline-inspection group of the trade work committee; the discipline-inspection committees of the Hexi and the Tanggu Districts; the discipline-inspection committee of the machine-building industry administration; the discipline-inspection committees of the Wuqing County, the Jinghai County, and the Jixian County, respectively, reported that they took effective measures and increased in a down-to-earth manner the momentum to investigate and handle cases.

In his talk, Hou Zongbin affirmed our municipality's endeavor in developing the anticorruption struggle and in investigating and handling cases. He held that our leaders attached great importance to this endeavor, that our thoughts were clear, that the key points were particularly paid attention to, that our measures were effective, that the task was done in a down-to-earth manner, and the development was healthy. He stated: It is proved by practice that Tianjin witnessed new results in investigation and handling cases besides what they had achieved. Party committees at all levels attached importance to this task and placed it in an important position, and many leaders personally investigated and handled cases. They personally read and commented on the letters reporting malpractice; personally listened to the reports of investigating and handling cases, and personally resolved some of the significant problems in cases. Meanwhile, they paid particular attention to the key points, and attached importance to investigating the cases relating the leading cadres, the cases that occurred in the hot economic departments, and the cases against discipline. They offered "three guarantees" to the endeavor of handling cases, that is, they guaranteed the support from the leaders, they guaranteed the backup to the forces investigating cases, and they guaranteed the financial and material resources. All these effectively promoted the work of investigating and handling cases. Tianjin's anticorruption struggle enhanced reform, opening up, and economic development.

Hou Zongbin pointed out: We should continue to pay firm attention to and achieve success in the three tasks of anticorruption. In handling cases, the urgent task at this moment is to increase the momentum in a down-to-earth manner, and focus efforts to investigate major and appalling cases. He held: The party Central Committee has been attaching great importance to the anticorruption struggle. Administering the party strictly, enforcing the discipline seriously, investigating and handling cases, and punishing corruption are the requirements of the party Central Committee, basic criteria by which the broad masses of the people evaluate the results of the anticorruption struggle, and the unshrinkable responsibility of the discipline-inspection and supervision orga-

nizations. In the meantime, it is also the demand resulting from the development of the current anticorruption struggle. We should grasp the advantageous opportunity at present, increase working momentum, accelerate the progress of handling cases, and present new results in investigation major and appalling case at the end of this year. The key is that the leadership over this task should be strengthened; the task should be dealt with by the leaders personally; the leaders responsibility system should be paid attention to; one level supervises another level; every level watches the implementation; the problems in handling cases should be studied as well as resolved promptly; and the necessities arising from handling cases should be guaranteed.

We should arrange to investigate the cases on which people complain a lot, whose details are important, and whose clues are specific, and then concentrate our efforts to make breakthroughs in key points. The discipline-inspection and supervision organizations and the law-enforcement supervision departments should closely coordinate with each other and form joint forces to investigate cases, so the overall efficiency can be brought into play.

In his talk, Gao Dezhan held: We should conscientiously carry out the work layout made by the Central Commission for Discipline Inspection on increasing the momentum of handling cases, focusing efforts to make breakthroughs in investigating and handling major and appalling cases, and further deepen the anticorruption struggle of our municipality. He held: It is a promotion for all the tasks of Tianjin that the Central Commission for discipline inspection came to Tianjin this time to listen to the reports, conduct investigation and study, and make special arrangements for investigating and handling cases, especially major and appalling cases. With the development of the situation, the commission posed higher demands for the three tasks of paying attention to cadres' honesty and self-discipline, investigating and handling major and appalling cases, and correcting the unhealthy trends in trades and professions. The results of the anticorruption struggle, including whether the cadres are honest and how the trend of the trades and professions is, are the issues the broad masses are concern about. The situation of investigating and handling major and appalling cases is also the key point absorbs the people. Increasing the momentum to investigate and handle major and appalling cases is the important measure for punishing and correcting corruption, the central link to enforce the law strictly, and the important mark for launching anticorruption struggle more effectively. Meanwhile, it also played a role in checking the arrogance of those unlawful elements. Therefore, we should strengthen the awareness of daring to challenge

the toughest matters and being adept in tackling the most difficult problems, so to achieve new development in making breakthroughs in investigating and handling major and appalling cases. Gao Dezhan stressed: We should follow the layout of the party Central Committee as well as the Central Commission for Discipline Inspection, comprehensively improve the work at this respect, increase momentum, accelerated progress, concentrate our efforts, and make breakthroughs in key points. The discipline-inspection and supervision departments at all levels should sum up the development situation of investigation and handling cases at the previous state, and pay firm attention to study what measures should be taken to make breakthroughs. In focusing efforts to make breakthroughs in investigating and handling major and appalling cases, we should form an overall joint force, coordinate with each other, and comprehensively promote the work of investigating and handling cases. The all-level party committees and discipline-inspection and supervision departments should provide real assistance to the grassroots encountering practical difficulties and problems when handling cases. Especially for those cases with great resistance and many interferences, the leaders should take up the matters themselves, back up the discipline-inspection and supervision departments, and assist them to overcome obstacles. Gao Dezhan stressed: In paying attention to the anticorruption struggle, we should insist on both taking radical measures and bringing about temporary resolutions, have our feet planted in education, and achieve success in prevention work. It is imperative to conscientiously do a good job in the responsibility system for building an honest party style and a clean government, further mobilize the initiative of the masses, enhance the construction of the spiritual civilization, and promote reform, opening up, and economic development. He urged the all-level discipline inspection and supervision organizations to bring into play their function, so to make new progress in all the tasks.

Tianjin Views Semi-Annual Economic Development
SK2608065695 *Tianjin TIANJIN RIBAO in Chinese*
23 Jul 95 pp 1, 2

[Unattributed report: "Tianjin Maintains a Fast, Sound Economic Development Trend"]

[FBIS Translated Text] Since the beginning of this year, all fields of the municipality have conscientiously implemented the guidelines of the central economic work conference and, in compliance with the demands of the municipal party committee and government for achieving "two promotions and two breakthroughs" and for attaining the three-year, five-year, eight-year, and 10-year targets, have focused on crucial issues and weak links

to deepen reform, opened wider, strengthened macro-control, increased efforts in work, and actively carried out the targets for evaluation, thereby maintaining a good development trend in the economy. We have achieved faster economic growth, better quality and efficiency in economic operations, positive results in macro-control, and new progress in opening to the outside world. The semi-annual major economic targets were fulfilled by the end of June, and the economy continued to develop in a rapid and healthy manner.

1. Economic growth was expedited, and the three orders of enterprises developed in a comprehensive manner.

Following the fairly rapid growth in the previous two years, Tianjin's economy continued to develop expeditiously in the first half of this year. According to initial statistics, Tianjin's semi-annual gross domestic product [GDP] totaled 43.722 billion yuan, 14.6 percent higher than that of the same period last year in terms of comparable prices, 1.4 percentage points higher than the growth rate of the same period last year, and higher than the national average growth.

The primary industry witnessed fast growth. Tianjin has strengthened the position of agriculture as the foundation, increased investment in agriculture, and increased the output of summer grain and major nonstaple food since the beginning of this year. In the first half of this year, the added value of the primary industry came to 1.78 billion yuan, up 18.4 percent from the same period last year. Summer grain output set a new record of 654 million kg, up 23.9 percent from the preceding year; and the average per-mu yield was 308 kg, up 9 percent, or 25 kg. The "vegetable basket" project made new headway, and the production of major nonstaple food increased substantially. Tianjin's semi-annual meat output grew by 27.4 percent, vegetable output 37.4 percent, poultry and egg output 3.8 percent, milk output 7.8 percent, and aquatic product output 9.8 percent. The bumper summer grain harvest and the increased production of major nonstaple food played an important role in ensuring market supplies and stabilizing commodity prices.

The secondary industry maintained a fairly rapid growth rate. Thanks to the increased technical transformation and adjustments with foreign capital in the past few years, industrial enterprises have shown better production and management. In the first half of this year, the added value of the secondary industry totaled 25.02 billion yuan, up 13.4 percent from the same period last year. Of this, the added value of industrial enterprises came to 21.83 billion yuan, up 13.4 percent. Industrial output value totaled 90 billion yuan, up 21.6 percent. The semi-annual industrial development had the following notable characteristics: First, the growth rate of

industrial production became increasingly faster every month. Second, development of light industry was notably expedited, with the light industrial production registering a 29.8-percent increase over the same period last year, 6.8 percentage points higher than the growth in the same period last year. Third, the "three types of foreign-funded" industrial enterprises and township-run industrial enterprises continued to maintain a strong momentum, registering an increase of 40.4 and 30.3 percent, respectively. Fourth, the state-owned sector of the economy made new headway thanks to the technical transformation and adjustment with foreign capital and to the implementation of the project to build the two key enterprises of the General Auto Industry Corporation and the Steel Tube Company, 20 municipal-level key enterprises and 200 key enterprises of districts, counties, and bureaus. The semi-annual output value of state-owned industrial enterprises showed an increase of 8.6 percent over the same period last year; and that of the General Auto Industrial Corporation and the Steel Tube Company increased by 20.2 and 11 percent, respectively. The production of Charade cars, Daihatsu cars, and casing pipes rose by 10.3 percent, 20.5 percent, and 4.5 times, respectively.

The tertiary industry registered an across-the-board increase, and Tianjin's role as a commercial, trade, and financial center was further strengthened. The semi-annual added value of the tertiary industry totaled 16.922 billion yuan, up 16.5 percent from the same period last year; and the proportion of the tertiary industry in GDP rose to 38.7 percent. The expedited development of the tertiary industry was attributed to the following factors: First, most of the large investment in the tertiary industry in the previous two years began to yield returns, thus enhancing the development capacity. Second, the advantages in our port were developed, and transportation as well as postal and telecommunications services developed rapidly. In the first half of this year, the added value of transportation and postal and telecommunications services registered an increase of 14 percent over the same period last year, the volume of cargo loaded and unloaded at ports increased by 31.5 percent, and postal and telecommunications transactions increased by 43.6 percent.

Third, the circulation of commodities was expanded further. The semi-annual added value of commerce and trade registered a 17.5-percent increase over the same period last year. Tianjin's total value of purchases and marketing of commodities and materials rose by 25.4 and 22.9 percent, respectively; and retail sales of consumer goods totaled 17.572 billion yuan, up 28 percent, or 14.3 percent when allowing for price rises. Following last year's fairly high amount, the transactions of

the wholesale markets for means of production totaled 74.34 billion yuan, up 6.5 percent from the same period last year; and the total transactions of the consumer goods wholesale markets, of which the transactions exceeded 100 million yuan, totaled 3.208 billion yuan, up 56.3 percent. Fourth, financial and insurance business as well as real estate business, especially the renovation of dilapidated houses, continued to see fast development, and their added value showed an increase of 13 and 20 percent, respectively, over the same period last year. In addition, the 43d World Table Tennis Games and a series of national trade fairs held in the first half of this year also promoted Tianjin's tertiary industry greatly.

2. The quality and efficiency of economic growth were improved, and revenues as well as urban and rural people's income continued to increase.

In addition to achieving faster economic development, we strengthened the role of the market mechanism, further facilitated scientific and technological advance, and upgraded management since the beginning of this year, thereby comprehensively raising enterprises' profits, revenue, and people's income.

Faced with a microeconomic environment that was not so relaxed, Tianjin overcame such unfavorable conditions as shortages of funds, actively adjusted the product mix, expanded market shares, and limited production to reduce stockpiles of goods in the first half of this year. Coordination between production and marketing was improved every month, and economic efficiency became notably better. The product marketing rate of the industrial enterprises at and above the township level throughout Tianjin rose from 93.51 percent in January to 98.49 percent in the first half of this year, up 2.98 percentage points from the same period last year. The sales income of the industrial enterprises at and above the township level which practiced independent accounting registered an increase of 39.3 percent in the January-May period as compared with the same period last year; and their profits and taxes, an increase of 38.7 percent, of which profits increased by 61.6 percent, both much higher than the increase rate of production. Tianjin's overall economic efficiency index, which reflected the overall level of economic efficiency, was 89.3 percent, up 7.1 percentage points from the same period last year, a fairly high level in the past two years. The economic efficiency of the state-owned sector continued to pick up. In the January-May period, all the state-owned enterprises in the municipality registered a 20.6-percent increase in sales income and a 21.6-percent increase in profits and taxes, as compared with the same period last year. Their profits and taxes accounted for 57.6 percent of the total of the industrial enterprises at and above the township level which practiced independent accounting

in the municipality. This way, they continued to play the role as the mainstay.

The increase rate of the revenue was expedited. The revenue saw fairly rapid growth thanks to expedited economic growth and better economic efficiency of enterprises. Tianjin's revenue totaled 5.37 billion yuan in the first half of this year, accounting for 50.2 percent of the annual budget, and increasing by 27.2 percent over the same period last year, which was higher than the 23.8-percent growth rate registered in the same period last year. Urban and rural people's income continued to grow. The semi-annual per capita wage of Tianjin's staff and workers totaled 2,722 yuan, up 27.4 percent, or 8.1 percent when allowing for price rises; urban people's per capita cost of living income was 2,142.6 yuan, up 25.6 percent, or 6.5 percent when allowing for price rises; and peasants' per capita cash income was 1,210 yuan, up 30.9 percent. Urban and rural people deposited 6.053 billion yuan in banks in the first half of this year, up 536 million yuan from the same period last year.

3. Macro-control yielded positive results, and both the increase rate of fixed asset investment and that of commodity prices dropped.

Thanks to Tianjin's conscientious efforts to implement the central principle of strengthening macro-control since the beginning of this year, both the increase rate of investment and that of commodity prices declined, and the financial situation remained stable.

The growth of fixed asset investment saw a decline, and the investment pattern was further adjusted. Tianjin's semi-annual fixed asset investment totaled 9.16 billion yuan, up 22.4 percent from the same period last year, which was lower than last year's January-June growth rate. While reducing the growth rate of fixed asset investment, Tianjin increased efforts to adjust the investment pattern and shifted the focus to industrial enterprises. The semi-annual industrial investment came to 5.24 billion yuan, increasing by 42.7 percent from the same period last year, and accounting for 57.2 percent of Tianjin's total investment in fixed assets, which was 8.1 percentage points higher than in the same period last year. Of this, the investment in energy resources and raw materials totaled 2.76 billion yuan, accounting for 74.6 percent of the investment of state-owned industrial enterprises. Construction of key projects proceeded smoothly. By the end of June, 41 of the 50 key projects designated by the municipal government had started construction, and 3.09 billion yuan had been invested, accounting for 29.2 percent of the annual quota. Renovation of residential houses was accelerated. Residential housing construction and renovation of dilapi-

dated houses made new headway since the beginning of this year. In the first half of this year, Tianjin built 1.404 million square meters of houses, up 22.7 percent from the same period last year; of which 1.027 million square meters were revamped dilapidated houses, up 28.1 percent.

Price rises notably declined. The municipal party committee and government have taken the endeavors to curb inflation and to control the inordinately large price increase as the most important tasks of economic work since the beginning of this year, and have adopted a series of measures, paid attention to "vegetable baskets" and other key links, and actively organized commodity supplies to stabilize market prices, thereby making price increase decline notably. The semi-annual overall level of urban consumer price was 17.9 percent higher than in the same period last year, a rate 7.3 percentage points lower than the increase in the same period last year. This ranked Tianjin 29th in the 35 large and medium-sized cities in the country. The urban overall retail price level rose by 12.2 percent over the same period of last year, a rate 3.4 percentage points lower than the increase in the same period last year. This ranked Tianjin 33d among the 35 large and medium-sized cities in the country.

The financial situation remained stable. In the first half of this year, banking departments absorbed 9.772 billion yuan of savings and issued 4.946 billion yuan of new loans, reducing the difference between deposits and loans by 4.826 billion yuan. Banking departments enhanced their capacity to regulate and control funds.

4. The endeavor of opening to the outside world and the new seaside area saw new progress.

Despite the universal decline in foreign capital in all over the country, and despite Tianjin's fairly high base last year, leaders at all levels paid close attention to the use of foreign capital—the key work that concerns Tianjin's economic development—and added impetus to promoting foreign capital, thus maintaining the growth in the use of foreign capital. In the first half of this year, Tianjin approved 778 foreign-funded enterprises, concerning which the negotiated foreign capital totaled \$1.821 billion, up 1.1 percent from the same period last year. The use of foreign capital featured more investment in large and industrial projects and fairly successful input of foreign capital. In the first half of this year, the average negotiated foreign capital of each contracted project came to \$2.34 million, up 39.3 percent from the same period last year; projects in which total investment exceeded \$5 million each numbered 60, and the negotiated foreign capital totaled \$825 million, an increase of 9.1 and 24 percent, respectively. In the first half of this year, over 50 percent of the

contracted foreign-funded enterprises and negotiated foreign capital involved industry. The actual foreign capital input was \$750 million in the January-June period, up 49.4 percent from the same period last year.

Foreign trade development was expedited. The semi-annual value of the goods imported and exported through Tianjin customs totaled \$9.822 billion, up 39 percent from the same period last year. Tianjin's semi-annual exports totaled \$1.631 billion, up 39 percent, which was 17.6 percentage points higher than the increase rate in the same period last year. Specialized companies put an end to their decline of exports and exported \$739 million worth of goods, up 20.1 percent.

The new seaside area continued to maintain its strong development momentum. The semi-annual GDP of this new seaside area was 10.12 billion yuan, an increase of 27.4 percent over the same period last year, which was higher than Tianjin's average of 14.6 percent. The industrial output value of this new area was 17.806 billion yuan, up 47.4 percent; and the exports totaled \$517 million, up 79.9 percent.

Although Tianjin maintained the good trend of fast economic development in the first half of this year, it faced some problems in economic operation, such as uneven economic development, the rather large number of loss-making enterprises, and the sluggish development in heavy industry, to name just the major ones. These problems need to be addressed in the second half of this year.

Northeast Region

Heilongjiang Party Secretary Inspects Cities

SK2308104595 Harbin HEILONGJIANG RIBAO
in Chinese 19 Jul 95 pp 1, 3

[By reporter Xu Tong (1776 1749): "Create Opportunities, Advance in the Teeth of Difficulties, Exert Oneself To Make Progress, and Lose No Time in Developing a Good Situation in Heilongjiang's Economy"]

[FBIS Translated Excerpt] Yue Qifeng, secretary of the provincial party committee, happily stated during his inspection tours of Qiqihar and Daqing: Since the provincial party committee defined the general idea of "actively opening up the second battlefield of economic development while never slackening efforts in the first battlefield of economic development," not only has the entire economic situation developed in a good direction, but tremendous changes have also taken place in the ideas, concepts, and mindset of people throughout the province. In all localities—especially counties, townships, and villages—people

who are unwilling to be viewed as backward are competing with each other to work harder. With such a mindset, we can create opportunities and favorable conditions when none exist, and we can overcome any difficulties however large they may be. Therefore, we should have full confidence in promoting Heilongjiang's economy and in catching up with the development level of the entire country.

From 15 to 17 July, accompanied by persons in charge of the pertinent departments of the Qiqihar and Daqing city party committees and the provincial party committee, Yue Qifeng, secretary of the provincial party committee, inspected Gannan, Longjiang, Fuyu, and Yian Counties as well as the Fulaerji District in Qiqihar and Lindian County in Daqing.

During the inspection tours, Yue Qifeng and his party, braving the scorching sun, visited farmlands to inspect the growth of crops and to learn in detail about agricultural production; visited villages and peasant households to hear the opinions and suggestions of rural cadres and peasants regarding rural work; and visited the workshops and work teams of some large and medium state-owned enterprises such as the Heilongjiang Chemical Industrial Plant and other township enterprises to learn about enterprise reform as well as their production and management. He also gave important opinions on expediting agricultural development, deepening enterprise reform, and improving urban construction. [passage omitted]

When inspecting agriculture and rural work, Yue Qifeng emphasized on many occasions the need to create and seize opportunities to expedite agricultural and rural economic development. He said: As we have lost several major opportunities for development since the third plenary session of the 11th party Central Committee, it is very difficult to now accelerate development. For this reason, we should not only seize the opportunities for development, but should adopt every means to create opportunities and favorable conditions for development. The entire country is now faced with the pressure of an increasing population and dwindling land as well as a tremendous demand for improving living standards and expediting progress in industrialization. As a large agricultural province, Heilongjiang has tremendous potential for agricultural development, especially grain production; the party Central Committee and the State Council has great hope for agricultural development in Heilongjiang. This represents an opportunity for agricultural development. We should firmly seize this opportunity; rely on scientific and technological advances to tap land potential and upgrade the output and quality of farm products; win state support; and turn Heilongjiang into China's largest strategic reserve

base for marketable grain and into a strong agricultural province. He encourages counties, townships, and villages to wage a "white revolution" on agriculture; disseminate new crop strains and new cultivating methods; raise the accumulated temperature, multiple cropping rate, and per-unit yields; and use degraded plastic film to reduce pollution.

Yue Qifeng pointed out: To make the leap from a large agricultural province to a strong agricultural province, we should change the situation in which we only sell raw materials and develop initial processing. With abundant grain, we should greatly develop food and animal feed processing as well as livestock breeding, and through this increase the value of the grain. Like we organized soybean processing last year, we should immediately organize all localities and all levels of grain processing enterprises to upgrade their processing capacity and level and exert utmost efforts to make sure that no raw materials are shipped out of the province. This way, a great opportunity will be created for the great development of Heilongjiang's township enterprises. With abundant grain, we can also expedite the development of livestock breeding. When livestock breeding is development, the fine processing of farm and sideline products can be promoted. [passage omitted]

Yue Qifeng attached great importance to the development and management of grassland, reed ponds, and water areas. He pointed out: Heilongjiang has 90 million mu of grassland. However, the grassland is deteriorating and its grazing capacity is very weak. There is no longer the reality that "vast is the sky, boundless the wilds, and cattle and sheep can be seen everywhere when the wind blows the weeds low." Large areas of grassland have deteriorated to a serious extent and have been left unattended. People graze livestock there, but no one takes charge or has intends to improve the grassland. Grain production has increased since the third plenary session of the 11th party Central Committee, and farming has increasingly improved. This should be attributed to the household-based and output-related contract responsibility system, which help to increase peasant incomes. In the endeavor to improve grasslands, peasants should be the major investors. This requires that the contract responsibility system be applied to grasslands, which should be managed on a household basis. Grass seeds should be improved, and grassland fenced off for grazing. We should increase up efforts to study and formulate relevant policies. The general principle for exploiting and improving grassland is that the land should be used for grain production, forestry, fruit production, livestock breeding, or planting grass whenever it is deemed suitable. Take the reclamation of waste grassland for grain production. When 1,000 jin of grains

are reaped, 1,000 jin of stalks can also be produced for use in developing livestock breeding. With regard to waste grassland that is good for planting grass, we should also improve grass seeds and adopt fine seeds of grass such as alfalfa, three-leaf grass [san ye cao 0005 0673 5430], and five-leaf grass [wu ye cao 0063 0673 5430]. This way, the grazing capacity of the grasslands will be greatly improved. [passage omitted]

Another focus of Yue Qifeng's investigation and study was the prevention of the degeneration of mechanisms by township enterprises as well as the introduction of mechanisms by township enterprises to invigorate state-owned enterprises. At Longjiang County's citric acid plant and electric appliance group; at Qiqihar's Heilongjiang Chemical Industrial Plant; at Fuyu County's soybean protein product plant, dairy product plant, and animal feed company; and at Yian County's plastics plant and radiator limited company, Yue Qifeng asked in detail about enterprise management systems and production methods. He repeatedly emphasized that the fundamental way to improve enterprises was to deepen enterprise reform and establish a managerial mechanism compatible with the market economy. He pointed out: Enterprise production and management should be market-oriented. Equal importance should be attached to the opening of markets and the development of products. To some enterprises in Heilongjiang, opening new markets should be more important than developing new products. Therefore, it is necessary to intensify advertising and to study sales strategies. In view of the limited capacity of some small and medium enterprises to bear the burdens of reform, an industry, when taken as a unit, may employ news media and other means of publicity in a planned manner to advertise its products so as to open up domestic and world markets, especially the domestic market. The large market in China, which has a population of 1.2 billion, is very appealing to foreign countries. We should give it more attention.

In view of the excessive number of enterprise administrative institutions and administrative personnel, Yue Qifeng pointed out: Enterprise administrative institutions should be compact and efficient. It is enough for small or medium enterprises to have one director and two assistant directors. With regard to other administrative personnel, one person should assume several posts, and a post should perform several functions. There is no need to establish so many institutions and administrative personnel. As a very important key to improving enterprises, enterprise directors and managers should have both authority and responsibility, and should be in the central position of production and management. The annual wage system should be applied to directors, and their wages should be linked to the economic perfor-

mance of the enterprise. This will embody the principle of greater income for greater contributions.

Yue Qifeng also pointed out: Enterprises with better economic efficiency should take the lead in reforming the distribution system. When the production and management of enterprises are improved, they will have a better capacity to bear the burdens of reform. They should further their reform of the distribution system to widen income differences. Those who develop new products and open up new markets should be generously rewarded and given a certain amount of money calculated according to the increase rate of the sales volume. This will stimulate the enthusiasm of scientific and technical personnel, administrative personnel, and technical workers who have made greater contributions, and will solve the problems of egalitarianism and "one common pot." [passage omitted]

Heilongjiang Holds Meeting of City Leaders

SK2608071395 Harbin HEILONGJIANG RIBAO
in Chinese 15 Jul 95 pp 1,2

[Report by Zhang Zhizhong (1728 3112 0022) and Hao Jianhua (6787 1696 5478): "The Heilongjiang Provincial CPC Committee Holds a Meeting of Responsible Persons of Cities, Prefectures, and Provincial-Level Departments"]

[FBIS Translated Text] On the afternoon of 14 July in Qiqihar, the provincial party committee and government cosponsored a meeting of responsible persons from cities, prefectures, and provincial-level departments to relay the guidelines of the important speeches made by General Secretary Jiang Zemin during his inspections to the three provinces of northeast China and also to arrange work for various levels of the province. Provincial leaders Yue Qifeng, Tian Fengshan, and Ma Guoliang attended the meeting.

At the meeting, Governor Tian Fengshan first relayed the guidelines of the speech made by General Secretary Jiang Zemin after hearing the work reports of the Heilongjiang Provincial party committee and government as well as the guidelines of the speeches made by General Secretary Jiang Zemin at the forums on the work of enterprises held in Shanghai and Changchun, respectively. Yue Qifeng, secretary of the provincial party committee, expressed important opinions on implementing the guidelines of the central leading comrade's speeches.

Yue Qifeng stated: On 20 June, after hearing the work reports of the Heilongjiang Provincial party committee and government, General Secretary Jiang Zemin affirmed that over the past year, Heilongjiang has made improvements and achievements in its work, and the

overall situation of the province tends to develop along a good orientation. He urged: We should further be inspired with enthusiasm, work hard and solidly, and create a new situation in economic work. In line with the central guidelines and actual provincial conditions, we should work out the ninth five-year economic development plan; deepen enterprise reform; achieve the transformation of the old industrial base; and simultaneously accelerate the development of new economic growth points such as town and township enterprises. We should accurately handle the relationship between reform, development, and stability and should better build Heilongjiang.

Yue Qifeng stated: General Secretary Jiang Zemin's important speeches are of extremely important and guiding significance to grasping favorable opportunities to deepen reform, to expand the scale of opening up to the outside world, to promote development, and to maintain stability. We should conscientiously study and deeply understand the spiritual essence of the speeches; resolutely implement the guidelines of the speeches; and use the guidelines to guide our work and the practice of reform, opening up, and economic construction.

Yue Qifeng also introduced the situation that our province recently delivered work reports to the central leading comrades and also relayed the guidelines of the instructions on the work of our province made by the central leading comrades including Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, and Hu Jintao.

Yue Qifeng set forth six opinions on how to implement the guidelines of the important speeches made by the central leading comrades, including Jiang Zemin.

1. Attach prominent importance to reform, have firm determination and confidence, and strive to improve state-owned large and medium enterprises. Yue Qifeng stated: Improving state-owned enterprises, particularly large and medium enterprises, is not only a major economic matter bearing on the overall development of the national economy, but also a major political matter bearing on the destiny of socialism. According to General Secretary Jiang's idea of "effectively grasping a group of large enterprises and decontrolling a group of small enterprises," we should positively promote the reform and development of state-owned enterprises.

"In decontrolling a group of small enterprises," we should continue to persist in and perfect the complete set of effective measures for reforming the small-sized enterprises, applied in the previous few years, such as contracted management, amalgamation, leasing, auctioning, and the shareholding cooperative system, which have been proved effective through practice; and should also expand the dynamics of implementing these measures at

a faster speed. In "grasping a group of large enterprises," first, we must work according to the orientation of setting up the modern enterprise system to conscientiously solve the problems surfacing from the implementation of the responsibility system. The difficulties and problems existing in state-owned enterprises are not caused by the system of ownership but mainly caused by the fact that the production and management mechanisms do not suit the demands of the socialist market economy. Enterprises themselves fail to effectively solve the problems surfacing from the implementation of the responsibility system and the problems due to egalitarianism and the practice of everybody eating from the same big pot, fail to lighten their heavy burdens on running social undertakings, and fail to attain the target of developing less new construction projects and more transformation projects. Just because of these, we must expand the dynamics of enterprise reform; persistently ensure a coordinate progress of the enterprise reform, the social security system, market development, macroeconomic regulation and control, and organizational restructuring; promote a simultaneous progress of system reform, technological transformation, reorganization, and construction of leading bodies; pay equal attention to lightening the burdens on running social undertakings and strengthening internal management; blaze new trails in reforming the enterprise system and in strategically readjusting the industrial structure; and use new ideas to improve state-owned large and medium-sized enterprises. Second, enterprises should conscientiously solve the problems due to the unitary production and management systems. Since Heilongjiang has not fundamentally readjusted the structures of industries and products dominated by natural resources, raw materials, initially processed products, and excessively more heavy products, we should further guide enterprises to persist in the policy of developing a diversified economy with the focus on one industry. Besides its major industry, an enterprise should develop the diversified economic projects characterized by new mechanisms and definite property rights and suitable to the demands of the market economy; develop the tertiary industry, precision and intensive processing industries, and substitute industries; positively pioneer the second battlefield where the state sector of the economy develops; and enhance its capability of cultivating large industries with small ones and cultivating main production with sideline occupation. Practice has proved that many enterprises can extricate themselves from the strained circumstances when we make achievements in this aspect. Third, enterprises should conscientiously solve their problems caused by extensive management. Now, more than 30 percent of the enterprises' low labor productivity, deficits, and covert deficits are caused by their poor, lax, and unscientific management.

By improving management, enterprises will not only be able to eliminate the practice of everybody eating from the same pit pot, losses, and waste; but also be able to reduce production cost, upgrade quality, and increase efficiency.

Therefore, we should pay firm attention to enterprise management; tap internal potential; seek quality, efficiency, and benefits from management; and also further conduct the distribution system reform among a portion of enterprises with good efficiency so as to further greatly improve the management level of state-owned enterprises. Of course, we still have to greatly readjust the policies in order to solve the deep-layered contradictions within state-owned enterprises and to enhance enterprises' development vitality and competitiveness in the market economy. At the time of turning our eyes inward, basing ourselves on our own efforts, and enhancing internal strength, we should positively reflect to the state the old industrial base' difficulties in transformation and strive to gain more support from the state.

2. We should base ourselves on long-term development, achieve the current work, and realistically strengthen agriculture's role as the foundation of the national economy. Yue Qifeng said: Heilongjiang is an agriculturally large province. So, it has gigantic potential for developing agricultural resources. General Secretary Jiang has placed great hope on Heilongjiang's agricultural development. Viewing the current situation, we know that the whole nation is confronted with not only the gigantic pressure of population increase and land decrease but also the gigantic demands for improving the people's livelihood and accelerating the pace of industrialization. Under such a situation, we must approach from the high, strategic plane and the overall situation to treat agriculture, realistically regard agriculture as the province's economic work priority, and strive to build Heilongjiang into the country's largest strategic base for reserving commodity grain. To this end, we should base ourselves on long-term development and grasp the current work. To base ourselves on long-term development, we should build Heilongjiang from an agriculturally large province into an agriculturally powerful province and build another Heilongjiang in the aspects of grain output, development of land resources, and the rural economic aggregates. According to this goal, the fourth plenary session of the seventh provincial party committee will focus on studying the issues concerning agriculture and the rural work, discuss and make a decision on building an agriculturally powerful province, and work out a long-term agricultural development plan. To achieve the work of the present when the weather conditions are not favorable and there are comparatively many disasters, we should foster the thinking of combat-

ing disasters and reaping bumper agricultural harvests, make good arrangements for the agricultural and rural work, increase the investment in agriculture, do a good job in preventing and combating disasters and providing relief to the disaster-hit people, implement the measures for promoting early maturing and preventing early frost, provide means of production and technological guidance during the crop growing period and the key stage of developing the breeding industry, mobilize social forces to support agriculture, and capture an overall bumper agricultural harvest in 1995.

3. We should persist in existing ideas, boldly make explorations and blaze new trails, and accelerate the pace of developing new economic growth points, including town and township enterprises. Yue Qifeng said: Economic stagnation is Heilongjiang's major contradiction and major problem. Therefore, accelerating the development of the economy is the foundation for solving all social problems as well as a starting point and an ending point to think over all problems. Slow development in the nonstate sectors of the economy, such as town and township enterprises, is the symptom of Heilongjiang's economic stagnation. By the end of 1994, the state-owned industrial enterprises of the whole country accounted for less than 40 percent of the total industrial enterprises but those of Heilongjiang accounted for more than 72 percent. To this end, General Secretary Jiang clearly pointed out: "Comparatively speaking, Heilongjiang was a little slower in developing town and township enterprises and the other sectors of the economy" and "relatively stagnant in developing the tertiary industry." He urged that "at the time of grasping state-owned enterprises," we should accelerate the development of town and township enterprises, appropriately develop private enterprises and the other sectors of the economy, "pay attention to the development of non-state sectors of the economy," and "also develop the tertiary industry."

The general idea of economic development defined at the third plenary session of the seventh provincial party committee conforms to the guidelines of General Secretary Jiang's instructions. Heilongjiang's state-owned enterprises account for a large proportion and belong to the industries grasping the lifeblood of the economy. Basically controlled by the state-sector of the economy, we cannot shake the public ownership's dominant position no matter how fast the nonstate sectors of the economy develop. So, we should pioneer and add new financial resources and employment chances to support and repay large enterprises. Therefore, we should proceed from the goal of rejuvenating Heilongjiang's economy and benefiting 36 million people; abide by the principle of "being conducive to developing the productive

forces of the socialist society, enhancing the overall national strength of the socialist country, and improving the livelihood of the people;" unswervingly implement the guidelines of the third plenary session of the seventh provincial party committee; give free reins; have the daring to make explorations and engage in practice; exert efforts to grasp the development of the nonstate sectors of the economy, including town and township enterprises; and further accelerate the development of the economy of the whole province.

4. We should proceed from the overall situation of the province, persist in the policy of rejuvenating the province with science and education, and do a good job in mapping out the province's Ninth Five-Year Plan and development plan by 2010. Yue Qifeng said: General Secretary Jiang pointed out: The Ninth Five-Year Plan period is the key period to implement the second-step strategic goal as set forth by Comrade Deng Xiaoping. So, well formulating the Ninth Five-Year Plan and achieving the work in this period is of extremely important significance. From the latter half of 1994, our province started to conduct large-scale investigation and study on the development plan in the Ninth Five-Year Plan period. Now, our province is mapping out a draft plan. Seeing that Heilongjiang lags far behind the international levels and domestically advanced provinces and municipalities in terms of labor productivity, unit consumption of materials, and products' functions and quality, we must regard the improvement in the economic growth quality and efficiency as an important guiding ideology in working out the Ninth Five-Year Plan and achieving the economic work and firmly shift the economic construction onto the orbit of relying on scientific and technological progress and improving the quality of laborers. Seeing that we shoulder heavy burdens by blindly developing low-quality duplicate projects in the past and in view of the comparative benefits from fast-efficiency technological transformation with less investment, we must work out and implement the Ninth Five-Year Plan persistently in line with the work policies on less investment, high output, fast accumulation, less new projects and more transformation projects, and the organic combination of industrial and product development with market development; and strive to realize the requirements for "four changes" in the economic work as set forth by General Secretary Jiang during his inspection tour in our province. (That is: Change from mainly relying on building new projects and expanding the scale of construction to conducting technological transformation among the existing enterprises and upgrading their quality. Change from mainly relying on increasing the consumption of energy resources, raw materials, and labor forces to mainly relying on scientific and technological progress, strengthening scientific

management, upgrading laborers' quality, and reducing unit consumption and waste so that we will be able to create more work and more social wealth with the same amounts of material and financial resources. Change from seeking output value and speed to taking market demands as an orientation; paying attention to the quality, functions, and varieties of products; and upgrading the products' technological contents, added value, and market occupation rate. Change from mainly relying on the expansion of property aggregates to mainly relying on structural readjustment, enlivening the existing property, and upgrading the efficiency from optimization of structures, the economy of scale, and scientific and technological progress.) With the changes in these four aspects, our province will be able to promote a faster-speed and better-quality development of the economy. The province as well as cities and prefectures should pay firm attention to working out their Ninth Five-Year Plans; pay particular attention to having a good connection between the plan of the province and that of the state and between the plans of cities and prefectures and that of the province; and strive to have the plans embody the central guidelines, conform to the provincial actual conditions, and be scientific, accurate, and effective.

5. We should strengthen the construction of leading bodies, make good use of cadres and talented persons, and provide a powerful organizational guarantee for accelerating the pace of reform and development. Yue Qifeng said: After the political line has been defined, cadres are the decisive factor. We should persist in the guiding ideology of "arming cadres with scientific theories, promoting cadres with outstanding political achievements, judging cadres according to public opinion, relying on competition to guide cadres, and tempering and improving cadres through practice"; should insist on the principle that "localities with many ideological changes should readjust less personnel, and localities without ideological changes must readjust their personnel"; should make good use of cadres and talented persons; and should guide the broad masses of cadres to pay attention to and mobilize their enthusiasm for developing the economy and benefiting the people. We should conscientiously implement the principle of democratic centralism; should strengthen unity among the leading collective of the party committees, party and government leading bodies, and leading bodies at various levels; and should strive to have people across the province from higher levels on down engage in reform and seek development with one goal, with one heart, and in one vigorous effort. We should realistically strengthen the construction of grass-roots party organizations, ideological construction, the improvement of styles, and the establishment of systems; should further bring into play

the party organizations' role as a leading core and fighting force as well as the party members' exemplary vanguard role; and should comprehensively upgrade the unity, attractiveness, and combat effectiveness of party organizations. We should conscientiously draw a lesson from the case of Beijing's Wang Baosen; regard the improvement of party style and administrative honesty as a great matter bearing upon the destiny of the party; strengthen education; nip evil in the bud; conscientiously investigate and handle corrupt cases; and achieve the struggle against corruption in a deep and sustained manner.

6. We should carry forward the spirits of Daqing, the Iron Man, and the Great Northern Wilderness; should strive to create first-grade achievements; and should elevate the work in various spheres to new heights. Yue Qifeng said: Heilongjiang continues to develop its economy along a good orientation. However, it still faces many difficulties, and the tasks for reform and construction are extremely arduous. To this end, General Secretary Jiang repeatedly stressed while inspecting our province: To treat difficulties, we should first be conscientious, then we should have spirit. He urged that we should have the courage to make explorations and blaze new trails, advance despite difficulties, wage an arduous struggle, take the overall situation into consideration, work selflessly for the public interest, make unremitting efforts to improve ourselves, and win credit for the country. According to the General Secretary's requirements, we should continue to carry forward the spirits of Daqing, the Iron Man, and the Great Northern Wilderness. In the history of Heilongjiang's development and construction, we just relied on these spirits to surmount numerous difficulties and built Heilongjiang into the country's key petroleum, timber, coal, machinery, and commodity grain production base. Our current situation is much better than the situation of building the Daqing Oil Field and developing the Great Northern Wilderness. So long as we loudly advocate these "three great spirits" and have them become the internal demand for developing the socialist market economy as well as the people's strong impetus to conduct reform and achieve development, then we will be able to overcome various difficulties, promote economic construction, make progress, create first-grade work achievements, realize the fighting goals of quadrupling the 1980 GNP and becoming fairly well-off as scheduled, and further make greater contributions to the state. In the January-June period of this year, the province's total output value for industries at or above the township level rose by 13.2 percent over the same period last year, only 0.8 percentage points lower than the national average growth figure of 14 percent. Simultaneously, the province's overall economic efficiency targets and revenues increased by

a large margin. So long as we implement the existing ideas regardless of difficulties, eliminate obstacles, and unswervingly attend to the ideas, then we should be full of confidence in catching up with the entire country's level of development.

Heilongjiang Works To End Highway Problems

SK2508063095 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 24 Aug 95

[FBIS Translated Text] Heilongjiang Province has achieved expected results in checking random collection of fines and tolls and setting up of checkpoints on highways.

After the issuance of the circular of the Ministry of Public Security on conscientiously implementing the guidelines of the State Council's anticorruption work conference and conducting campaign on checking random collection of fines, tolls, and setting up of checkpoints on highways in February this year, the provincial public security and traffic management bureau rapidly organized a leading group to take charge of this work, formulated a series of regulations and systems, clearly defined and reaffirmed the policies and systems related to collection of fines and road tolls, organized public security and traffic police departments across the province to conduct centralized and united operations to check the random collection of fines and tolls and setting up of checkpoints on highways, investigated each and every checkpoint, fine and road toll, and handled all reports and complaints from the masses.

This bureau also organized six work groups to go deeply to 14 cities and prefectures across the province and the state farms to comprehensively check the highways. In the course of improving the random acts on highways, public security and traffic police departments in all localities exerted efforts to solve practical problems. At present, traffic checkpoints in all localities across the province have been removed and the practice of setting up checkpoints on highways or setting up checkpoints in a disguised form has been brought under permanent control.

Sixth Jilin CPC Committee Holds Fifth Session

SK2508022795 Changchun JILIN RIBAO in Chinese 25 Jul 95 pp 1, 8

[Unattributed report: "Build Jilin Into an Even Better Place Through High Morale and Hard Work"]

[FBIS Translated Excerpt] The fifth plenary session of the sixth provincial CPC committee was held in Changchun from 22 to 24 July 1995.

The session was presided over by the Standing Committee of the provincial party committee. On behalf of the Standing Committee of the provincial party committee, Zhang Dejiang, secretary of the provincial party committee, delivered an important speech entitled "Build Jilin Into an Even Better Place Through High Morale and Hard Work." Wang Yunkun, deputy secretary of the provincial party committee and acting governor of the province, made a speech at the conclusion of the session. The session examined, discussed, and approved the "Jilin Province's Plan on Building a Spiritual Civilization (From 1995 to 2000)" and adopted the resolution on this plan. In line with the pertinent stipulations of the party constitution, the session appointed Comrade Zang Shengye to fill the vacancies in the provincial party committee.

This session was primarily devoted to profoundly studying and comprehensively implementing the guidelines of the series of instructions given by General Secretary Jiang Zemin during his inspection tour of Jilin Province and to mobilizing the vast numbers of party members, cadres, and people of all nationalities in the province to build Jilin into an even better place through high morale and hard work. In close combination with the province's realities, the session's participants conscientiously discussed the guiding ideology and overall idea on economic work as well as the building of a spiritual civilization; it defined the goals, tasks, and work measures on economic and social development in the foreseeable future.

The comrades participating in this session were warm in discussion and brisk in thinking. They unanimously held: This is a session devoted to comprehensively implementing the guidelines of Comrade Jiang Zemin's instructions given during his inspection tour of Jilin Province; a session devoted to further seeking unity of thinking and boosting popular morale; and a session characterized by unity, encouragement, and a seeking of realities. [passage omitted]

Qiao Shi Inspects Jilin 26-31 Jul

SK2508134695 Changchun JILIN RIBAO in Chinese
1 Aug 95 p 1

[Report by Jiang Fengguo and reporter Liu Li (0491 0500): "It Is Imperative To Strengthen the Foundation Role of Agriculture and Accelerate the Reform of the State-Owned Enterprises"]

[FBIS Translated Text] From 26 to 31 July, when inspecting work in our province, Qiao Shi, standing committee member of the CPC Central Committee Political Bureau and chairman of the National People's Congress standing committee, pointed out: Our country

is now in a key period of reform and development, and we should fully use the hard-won opportunity of development, further strengthen the foundation role of agriculture, accelerate the reform of the state-owned large- and medium-scale enterprises, and work hard to enhance the economic construction and reform and opening up to develop greatly.

During his stay in our province, Comrade Qiao Shi, accompanied by leading comrades such as Zhang Dejiang, secretary of the provincial party committee; Wang Yunkun, deputy secretary of the provincial party committee and acting governor of the provincial government; and He Zhukang, chairman of the provincial people's congress standing committee; inspected the First Automobile Manufacturing Plant-Dazhong Automobile Limited Company, Changchun Automobile Research Institute, Changchun Bus Plant, Changchun new-and-high-tech industry development zone, Siping Hongzui Corporation Company, and Jilin Deda Limited Company. He also went to Lishu County and visited the households engaging in planting and breeding. Wherever he went, Comrade Qiao Shi got an understanding of the production and management situation there, talked cordially with the cadres and the masses, conscientiously listened to their opinions and suggestions, affirmed their working results, studied with them the measures which would resolve the practical problems, and encouraged them to make persistent efforts to do a better job in every task.

On 30 July, Comrade Qiao Shi first listened to the work report made by Comrade Zhang Dejiang on behalf of the provincial party committee and the provincial government. After that, he listened to the work report made by Comrade He Zhukang on behalf of the provincial people's congress standing committee. After listening to the reports, Comrade Qiao Shi made a speech. He fully affirmed Jilin's endeavor in these recent years of firmly focusing on the general task of the whole party and the whole nation, of insisting on taking economic construction as the core, of deepening reform, and of opening up wider. He also affirmed the results Jilin got in the national economy and in every undertaking and the basic thoughts and arrangement of Jilin at present and henceforth. He held: With the development of the whole country, Jilin is also developing incessantly. Although Jilin has some practical problems and difficulties since it is a base of heavy industry, it has a great potential for development. As long as everybody continues to emancipate the mind, uplift the spirit, actively forge ahead, work in a down-to-earth manner, carry out the principles and policies of the party and the thoughts and arrangements of the provincial party committee, as well as the provincial government, a greater develop-

ment will certainly be achieved in economic construction and reform and opening up.

Qiao Shi pointed out: Currently, our country is in a key period of deepening reform and accelerating development. The international and domestic situations are both very advantageous to our reform and development. Viewing from the international situation in which peace and development are the major themes, it is advantageous for us to insist on the party's basic line and to promote our economy. Viewing from the domestic situation he said: Since the third plenary session of the 11th party Central Committee, we have taken Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance, insisted on the party's basic line, upheld the principle of paying attention to both the spiritual and material civilizations, had a firm command of the overall working situation, and achieved the great achievements which drew the attention of the whole world. It is not groundless for us to say that we are facing the hard-won historical opportunity. Of course, we had problems, but they were the inevitable problems in progress and development. As long as we persist in taking the road of building socialism with Chinese characteristics with unremitting efforts, all the problems can be resolved and all the difficulties can be overcome. Our grand undertaking of building socialism with Chinese characteristics is very promising.

When talking about agriculture, Comrade Qiao Shi Stressed: Agriculture is the foundation of our national economy, and we should always put agriculture in the primary place. In our generation and our next generation, that is, in a quite long period, we should always put agriculture in the primary place without changes and wavering. Jilin have reaped rich harvests for many years running, and at one time grains did not sell well. That was only a temporary and partial phenomenon. In terms of the overall trend, the population of our country is increasing, the living standing of the people is also continuing to be upgraded, and the demand for grains is also increasing. Therefore, we cannot slacken our attention to agriculture at any moment. Meanwhile, we should take reality of our locality into consideration, and carry out the specific measures one by one in light of the specific problems in every stage. Since Jilin's potential in grain yielding is fairly great, we should further bring into play the potential in grain yielding, then, basing ourselves on this, pay attention to grain processing, promote scaled management, and develop township enterprises. The development of township enterprises will enhance the development of the rural economy and the whole industry. To sum up, we should do a good job in agriculture with unremitting efforts. It is imperative to maintain a good developing momentum of agricul-

ture for a long term by means of perfecting policies, increasing input, and improving the study and dissemination of the agricultural science and technology. In the meantime township enterprises are developed, we should attach importance to achieving success in the building of small cities and towns. With the small cities and towns spreading all over, it is advantageous to improve the relationship between industry and agriculture, make arrangements for the surplus labor forces in rural areas, and narrow the gap between the urban and rural areas.

When talking about the reform of the state-owned industry, Comrade Qiao Shi pointed out: Jilin Province has made positive efforts in achieving success in the state-owned large and medium enterprises. It has witnessed progress and it is also figuring out measures to overcome difficulties and solve problems. Practice has proven that state-owned enterprises have a way out, are promising, and can be promoted. The fundamental way out lies in deepening reform, carrying out in a down-to-earth manner the separation of governmental administration from enterprise management, making enterprises conform to the needs of the market, enlivening mechanism, tapping the inner potential, paying firm attention to technological transformation, and working hard to increase efficiency. He held: In reforming enterprises, we should have the sense of urgency, be daring, be determined, and have great momentum. We should not be afraid of taking risks. Wherever there is a reform, there is risk. We should conduct reform after we have paid firm attention to study and investigation and achieved success in doing the preparation work. Our country is vast and our enterprises are many. The situation of each enterprise is different, and the problems each enterprise faces are also different. All localities, when absorbing the beneficial experiences from home and abroad, should follow the overall requirement of developing socialism with Chinese characteristics, proceed from the real situation, explore boldly, dare to put into practice, and take the specific form to conduct enterprise reform which suits the situation of the locality. It is imperative to establish the modern enterprise system, and, in the meantime of paying firm attention to the experiments, prove by practice the experiences which have a correct direction and good effect and actively disseminate them. Comrade Qiao Shi stressed: It is imperative to place the technological transformation of enterprises in the primary position so to pay firm attention to and to achieve success in it. The old industrial base should especially make great efforts in this respect. We should actively collect funds and should not grudge spending money. Without new technology and without new products suiting the needs of the market, it is difficult for enterprises to survive. Enterprises that have achieved some results

in technological transformation should not be satisfied. They should continue to work hard and climb towards the higher target. There is no limit to the transformation of technology. Only by continuous efforts at this respect can the enterprises grow stronger and stronger and can the enterprises stand steadily amidst the violent competition. The enterprise with good conditions should not be satisfied with being ranked among the best in our country. They should be ambitious and work hard to forge ahead so to be ranked among the best in the world.

During the inspection, Comrade Qiao Shi attached importance to upholding the principle of insisting on paying attention to and achieving success in both the spiritual and the material civilizations at the same time. He also stressed that we should make great efforts to strengthen the building of the party, the building of the socialist spiritual civilization, and the building of the democratic and legal system.

Comrade Qiao Shi also visited the organizations' personnel of the provincial people's congress.

Liaoning Provincial Party Congress Opens 20 Aug
SK2108135195 *Shenyang Liaoning People's Radio*
Network in Mandarin 1000 GMT 20 Aug 95

[FBIS Translated Excerpt] The Eighth Liaoning Provincial Party Congress, which is of great significance, ceremoniously opened at the Liaoning People's Theater today. Representing 2.85 million party members and shouldering heavy responsibilities, 795 excited delegates attended this solemn congress. Today's congress was presided over by Comrade Wang Huaiyuan. He declared the congress open at 1430 in the afternoon. [passage omitted]

Executive members of the congress presidium and former provincial veteran leaders were seated on the front row of the rostrum. They were Gu Jinchi, Wang Huaiyuan, Zhang Guoguang, Shang Wen, Wang Chonglu, Li Guozhong, Xu Wencai, Yu Junbo, Liu Zhenhua, Xiao Zuofu, Gao Diancheng, Quan Shuren, Sun Qi, Guo Feng, Dai Suli, Li Tao, Song Li, Xu Shaofu, and Wang Guangzhong. Leaders of the province and of the provincial military district who were also seated on the rostrum included Yu Xiling, Chen Suzhi, Bi Xizhen, Qi Zheng, Xu Tingsheng, Cong Zhenglong, Guo Tingbiao, Gao Guozhu, Liu Keting, Lin Sheng, Zhang Chenglun, and (Liu Suming). Some responsible persons of democratic parties and well-known nonparty personages, including Gong Shiping, Gao Qingzhou, Gao Jizhong, Ma Pinfang, Feng Yousong, Zhang Rongming, Liu Mingjiu, Yue Weichun, Jiang Xiaoqin, Liu Chun, Xiao Dezhaoh, and Chen Hongduo were also invited to the congress and

seated on the rostrum. Some specially invited party veteran comrades also attended the opening ceremony.

On behalf of the Seventh Liaoning Provincial CPC Committee, Gu Jinchi delivered a work report at the congress titled: "Uphold the Party's Basic Line, Accelerate the Progress of the Second Pioneering Program, and Strive to Build a New Liaoning and Greet the New Century." [passage omitted]

In reviewing and summarizing the work of the past five years, Gu Jinchi stressed: It is necessary to always uphold the ideological line of emancipating thinking and seeking truth from facts and the correct ideas for economic work; keep the overall situation in mind while conducting reform; use opening up to further development; grasp and properly handle the relations of reform, development, and stability; realistically change leadership work style; and work in a down-to-earth manner. [passage omitted]

Gu Jinchi pointed out: The fighting objectives for the next five years are to basically form a mechanism for market economic operation, enable the national economy to enter a well-rounded cycle, basically build the export-oriented economic system, comprehensively develop the spiritual civilization and social undertakings, raise the people's quality of life by a fairly large margin, and pay attention to grasping the three major strategies. [passage omitted]

Gu Jinchi pointed out: In addition to strengthening the building of material civilization, it is also necessary to strengthen the building of socialist spiritual civilization, persist in taking a two-handed approach in work and be tough with both, and never seek economic development at the cost of sacrificing spiritual civilization at any time and under any circumstance. Meanwhile, we should also strengthen the building of the socialist democracy and the legal system and create a stable social environment. Gu Jinchi gave six opinions for strengthening party building and improving the party's leadership. First, we should arm the whole party with the theory on building socialism with Chinese characteristics and realistically strengthen the party's ideological construction; second, conscientiously implement the party's principle of democratic centralism; third, further strengthen the building of leading bodies at all levels; fourth, strengthen and improve the building of grass-roots party organizations and give full play to the fighting bastion role of the grass-roots party organizations and the vanguard and exemplary role of the broad masses of party members; fifth, realistically attend to the building of party style and administrative honesty and carry out the anticorruption struggle in a deeper, sustained, and more effective manner; and sixth, rapidly

enhance the ability of party committees at all levels to lead economic work. [passage omitted]

Northwest Region

Gansu's Lanzhou Enjoying Commercial Growth

OW2208091195 Beijing XINHUA in English

0733 GMT 22 Aug 95

[FBIS Transcribed Text] Lanzhou, August 22 (XINHUA) — The capital city of northwest China's Gansu Province has witnessed a rapid growth in commerce in recent years.

According to local officials, the city has poured nearly 100 million yuan into building a number of large-scale markets since 1994, including 20 with a floor space of more than 10,000 sq m each.

More than 310 markets of various kinds in the city have registered an annual increase of 30 percent in trade volume, and fourteen of them have topped 100 million yuan each.

The city has seen the establishment of more than 90 intermediary exchange centers for auditing, notary work, and brokering, officials said.

The Lanzhou East Comprehensive Wholesale Market, the Guanghui Cloth Wholesale Market, and the Zhangsutan Vegetable and Melon Wholesale Market now rank among the country's top 50 markets, they noted.

Eight large stores and hotels, such as the Asian-European Mansion, have been built since last year, and some underground shopping centers are under construction.

Lanzhou has opened sister-city ties with Shijiazhuang, Shenyang, and Fuzhou, and economic relations with 100 cities and regions across the country, in addition to improving infrastructure in transportation, telecommunications, water and heating supplies, officials say. The number of telephones for public use in the city ranks the fifth in the country.

Ningxia Hui Developing Into Industrial Complex

OW2508103295 Beijing XINHUA in English

0924 GMT 25 Aug 95

[FBIS Transcribed Text] Yinchuan, August 25 (XINHUA) — Northwest China's Ningxia Hui Autonomous Region, which is rich in energy resources, has devoted a lot of effort to developing high energy-consuming industries in recent years and has witnessed an annual increase of 20 percent in the high energy-consuming industrial output.

In the first half of the year, the industries' output rose by 24 percent over the same period of last year and their

output value accounted for more than 50 percent of the region's total industrial output value.

The region is rich in energy resources, especially in terms of coal production.

The region has established a group of pillar high energy-consuming enterprises including those of metallurgy, chemistry, building materials and coke.

Darong Cyanic Amine Corporation with a production capacity of 5,000 tons has become the largest of its kind in Asia, while the capacity of the Yinchuan Sodium Plant, China's biggest sodium production base, is 4,000 tons.

Many products of the energy-consuming industries in the region have entered the world market, and earned the region millions of dollars.

Qinghai Province Taps Hydropower Resources

OW2608142995 Beijing XINHUA in English

1410 GMT 26 Aug 95

[FBIS Transcribed Text] Xining, August 26 (XINHUA) — Northwest China's Qinghai Province is accelerating the construction of five major hydroelectric power stations on the upper reaches of the Yellow River to boost local economy.

The five stations are the Longyangxia Hydropower Station, which already has gone into operation, the Lijiaxia Hydropower Station which is still under construction, and the Laxiwa, Gongboxia and Jishixia hydropower stations, of which preparation for construction is well under way.

The Longyangxia station with the generating capacity of 1.28 million kilowatts has turned out 33 billion kilowatt-hours since 1987 when its first generating unit went into operation.

The Lijiaxia station is scheduled to install five 400,000-kilowatt generating units, which will produce 6.9 billion kilowatt-hours annually to irrigate 130,000 hectares of farmland upon completion.

The Laxiwa, Gongboxia and Jishixia stations will have a power generating capacity of 3.72 million kilowatts, 1.5 million kilowatts and one million kilowatts respectively.

Shaanxi Official Meets Taiwan Children's Group

SK2208040495 Xian Shaanxi People's Radio Network

in Mandarin 0010 GMT 22 Aug 95

[FBIS Translated Text] Fan Xiaomei, vice governor of the province, delivered a speech at the banquet sponsored by the provincial Taiwan affairs office and the provincial federation of Taiwan compatriots on 21

August in honor of the children's delegation of Taiwan that was visiting the province under the third peaceful Little Angel Program created by both sides of the Taiwan Straits. He stated: The on-schedule visit paid by the peaceful little angel delegation to the province has brought about the lofty compatriot and brotherly affection preserved by the people both in Taiwan and the mainland, who are as close as flesh and blood. It has also mirrored the strong desire harbored by people on both sides of the straits for peaceful reunification of the motherland.

During the banquet, Mr. (Xu Zhengqin), head of the children's delegation from Taiwan, also made a speech in which he stated with deep feeling: We are all descendants of Yan and Huang Emperors. It is hoped that the relation between the two sides of the straits can achieve peaceful development and that both sides can commonly carry forward the Chinese nation's fine traditional culture. Amid the joyous singing of songs, Fan Xiaomei presented the province's handicrafts to the children's delegation which presented its delegation banner to Vice Governor Fan Xiaomei in return.

Attending the banquet on the evening of 21 August were (Ye Chongshang), vice chairman of the provincial Chinese People's Political Consultative Conference committee and director of the united front work department under the provincial party committee; Yang Guoqing, vice president of All-China Federation of Taiwan Compatriots; (Wen Li), representative of the National Young Pioneers committee; and responsible persons from the departments concerned.

Xinjiang Congress Standing Committee Ends

OW2708090495 Urumqi XINJIANG RIBAO
in Chinese 5 Aug 95 p 1

[Report by Yan Fengli (2518 7364 0448): "The 16th Meeting of the Eighth Autonomous Regional People's Congress Standing Committee Ends"]

[FBIS Translated Text] The 16th Meeting of the Eighth Autonomous Regional People's Congress Standing Committee ended in Urumqi on 4 August.

Chairman Amudun Niyaz chaired the meeting. Vice Chairmen Jie Fuping, Hedeerbai, Yusufu Muhanmode, Turbayim, Xu Peng, Ma Cunliang, Hujihan Hakemohu, and Amina Apaer; and Secretary General Maimaiti Simayi attended.

The attendees adopted by vote the "Regional Regulations for Managing Cultural Markets," the "Regional Regulations for Managing Agricultural Machinery," the "Regional Regulations for Collection of Administrative Fees," and the "Decision of the Regional People's Con-

gress Standing Committee on Revising the 'Detailed Measures for Implementing Direct Elections of Deputies to People's Congress at or Below the County Level.'" They also ratified the "Urumqi City Regulations for Urban Planning Management" and the "Urumqi City Greening Regulations"; adopted the "Decision of the Regional People's Congress Standing Committee on the Elections Time for Township, Nationalities' Township, and Town People's Congresses"; and approved appointments and removals.

Mijiti Nasier, vice chairman of the regional people's government; Kurban Rozi, president of the regional higher people's court; and Mijiti Kurban, chief procurator of the regional people's procurator, observed the meeting.

Toward the closing of the meeting, Amudun Niyaz delivered a speech, entitled "Boldly Use Foreign Capital and Actively Run the Chinese-foreign Joint Ventures, Cooperative Enterprises, and Wholly Foreign-Owned Enterprises [Foreign-Funded Enterprises] to Promote the Sustained, Rapid, and Healthy Development of Xinjiang's Economy." He said: At this meeting, we heard a report by the people's government on foreign trade and a report by the People's Congress Standing Committee on its inspection of our region's foreign-funded enterprises. The purpose is to encourage the regional people's government to further carry out the work of attracting foreign investment and accelerate the development of foreign-funded enterprises. He said: Actively bringing in foreign capital and successfully running foreign-funded enterprises are strategic measures for promoting the sustained and rapid development of Xinjiang's economy. We must earnestly implement state laws and relevant policies to promote the healthy development of foreign-fund enterprises. We must change our work style, improve service, and create favorable external conditions for the development of foreign-funded enterprises.

Xinjiang Officials Laud UN Conference Delegates

OW2708090395 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 26 Aug 95

[Announcer-read report over video by caption-identified correspondent Wang Cheng (3769 2052); from the "Xinjiang News" program]

[FBIS Translated Text] Yesterday afternoon, autonomous regional leaders Wang Lequan, Abdulahat Abdurixit, Janabil, and Abdurehim Amiti met with 65 women delegates from Xinjiang who are going to leave for Beijing to attend a nongovernmental organization forum of the Fourth World Women's Congress at the office of the Xinjiang Autonomous Regional Party Committee [XARPC].

Hailiqiemu Silamu, Amina Apaer, Wang Shizhen, Paxia Yixia, and Ni Haomei, leaders from the Xinjiang Autonomous Region and the Xinjiang Production and Construction Corps present at the meeting, will attend the forum as Xinjiang delegates.

XARPC Acting Secretary Wang Lequan delivered a speech during the meeting. He said: You are outstanding representatives from all walks of life. Your representation of 7.8 million women from Xinjiang by participating in the international congress fully shows Xinjiang women's participation in government and political affairs as well as their important political role. I hope you will introduce the great changes taking place in Xinjiang to women delegates from all other parts of the world at the congress so that they may have a full understanding of Xinjiang's economic development and the great unity among all Xinjiang's nationalities, which are on very

good terms with one another, so the whole world may understand Xinjiang better. He urged all women delegates to make persistent efforts, study hard, and make their due contributions to the Fourth World Women's Congress.

Xinjiang Autonomous Regional People's Government Chairman Abdulahat Abdurixit and XARPC Secretary Janabil [as heard] also spoke during the meeting. They jointly wish the Fourth World Women's Congress a complete success and all women delegates a nice trip to Beijing.

Women delegates from the Wuqia County Women's Federation and the Urumqi City Railway Bureau displayed tapestries and scrolls which they had meticulously embroidered and which will be presented to the Fourth World Women's Congress as a gift.

Navy To Conduct Live Fire Exercises in Sep
OW2808094695 Taipei LIEN-HO PAO in Chinese
25 Aug 95 p 3

[FBIS Translated Text] The Navy's Chung Cheng Base and "146" Fleet will conduct separate antiship and antiaircraft live fire exercises in waters 20 nautical miles to the east of Yilan County's Suao, and 15 nautical miles to the west of Penghu's Yuweng Island in September. The Keelung Fishery Radio notified fishermen yesterday that fishing boats should avoid entering these areas.

Paper Notes Executions, Arrests on Mainland
OW2808093095 Taipei TZU-LI WAN-PAO in Chinese
26 Aug 95 p 1

[FBIS Translated Text] It has been learned that during the three large-scale military exercises conducted by the Chinese Communists since early July, between six and eight people have been arrested on suspicion of collecting intelligence for Taiwan. Three of them have been executed by shooting.

Officials of the Ministry of National Defense [MND] intelligence unit were reluctant to confirm whether the arrested and executed personnel were our intelligence operatives. However, it is not difficult to note that during the first guided missile test, the MND announced that three of the four missiles hit the target; since then, during the second guided missile and artillery tests, the MND has remained silent, unwilling to reveal any information related to the Chinese Communist exercises.

An authoritative source indicated that during the first guided missile test, the Chinese Communists indeed arrested three people on charges of "collecting intelligence for Taiwan in betrayal of national interests." The three were later executed by shooting on espionage charges. Whether they were our intelligence operatives remains to be verified.

The source revealed: In the forties and fifties, military intelligence units did select intelligence personnel for rigorous training in intelligence gathering, explosives, camouflage, martial arts, and other specialized fields and sent them to the mainland through secret avenues to gather intelligence. In the old days, when relations between the two sides were strained and information was hard to obtain, intelligence operators indeed were able to play their espionage roles. Today, however, with advanced science and technology and multiple channels of intelligence gathering, we no longer send operators to the mainland for intelligence gathering. Military officials also pointed out: Protecting sources and channels of intelligence is an important part of military warfare. When our side is launching all-out intelligence warfare to "know ourselves as well as the

enemy," the enemy side will naturally seek "counter-intelligence" measures. Therefore, the primary goal of intelligence gathering, whether using human resources or technology, is to seek accurate intelligence for use by commanders in drawing up war plans.

Ministry: Exercises 'Monitored Closely'
OW2608094495 Taipei CNA in English
0841 GMT 26 Aug 95

[By Yang I-feng]

[FBIS Transcribed Text] Taipei, Aug. 26 (CNA) — The ROC [Republic of China] Ministry of Defense Saturday refused to comment on a People's Liberation Army (PLA) announcement that it had concluded live artillery and missile tests off Taiwan's northeastern coast.

However, ministry officials said privately that the exercises were monitored closely and should not worry the public.

The ministry also refused to comment on recent wire service reports about planned PLA exercises near the Spratly Islands.

Professor Lin Yu-fang of the Tamkang University Graduate School of Strategy said that Beijing's military exercises in the region were normal, but the size and scope have been expanded.

Lin said the exercises were part of the PLA's long-term strategy, aiming at intimidating Taiwan, warning Japan and the United States, and emphasizing the mainland's claim to the Spratlys.

Mainland Expected To Launch 3d Round of Tests
BK2608104595 Hong Kong AFP in English
1018 GMT 26 Aug 95

[FBIS Transcribed Text] TAIPEI, Aug 26 (AFP) — China is expected to launch soon a third round of missile exercises near Taiwan, keeping up the psychological pressure on the island it regards as a renegade province, informed sources at the defense ministry said here Saturday.

Neither the ministry nor other government authorities made any official comment on Beijing's announcement Friday that its 11-day drill involving guided missiles and heavy artillery off Taiwan's northern coast had ended. It was the second series in recent weeks.

Share prices, which had already been battered by political uncertainty surrounding the exercises and the growing rifts within the ruling Kuomintang ahead of next year's first popular presidential elections — were still heading downward Saturday.

The Taiwan Stock Exchange fell 0.4 percent, or 20.17 points to close at 4,650.44 points with many investors convinced there would be more military threats from the mainland before next March's election.

The informed sources said Taiwan's armed forces would be on high alert as Beijing was soon expected to announce a third round of missile tests to keep up pressure on the island's population.

Other sources said the new round might be held in September.

Most of the missiles fired in the last exercise, which simulated battles at sea, were ship-to-ship, backed by air-to-air and air-to-ship firings, military sources said.

No medium or long-range missiles were fired, they added.

Some 50 warplanes and 20-30 ships including cruisers, submarines, destroyers and minesweepers were mobilized in the drill, the military sources said, adding that the operation was routine except for its proximity — only 150 kilometers (94 miles) from Taiwan.

Premier Lien Chan on Friday urged Taiwanese to strengthen their "psychological defenses" against changes in relations across the Taiwan Strait.

Observers have said the series of military operations were aimed at deterring President Li Teng-hui from seeking a second term.

Along with the missile firings, Beijing has launched extensive verbal attacks on Li, accusing him of trying to "split the motherland" with his pro-independence "pragmatic" diplomacy.

Li's "private" trip to the United States in June and Taipei's drive to rejoin the United Nations, which ousted Taiwan and welcomed China in 1971, especially enraged Beijing.

China vows to take Taiwan with military force if the island tries to declare independence.

Survey: People 'Not Frightened' by Exercises

OW2608103595 Taipei CNA in English
1000 GMT 26 Aug 95

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, Aug. 26 (CNA) — More than 70 percent of the people of Taiwan were not frightened by Mainland China's recent military exercises just north of the island, according to a Democratic Progressive Party (DPP) survey.

The survey said that 92 percent of people here knew about the exercises, and 62 percent said they had

talked about the exercises with their families, friends or colleagues.

Only 20 percent of respondents said they were panicked by the exercises, but 70 percent said they were not afraid.

An additional 46 percent said that Mainland China's saber rattling will dampen support for unification with Mainland China. And about 60 percent said all Taiwanese, regardless of their political affiliation, would join together to repulse a mainland attack.

The survey also found that 24.5 percent of respondents believe that the DPP is the most anti-Communist Party in Taiwan, followed by the Kuomintang and the New Party.

The telephone survey was conducted between Aug. 14-18. It has a margin of error of 2.6 percent.

Ku Denies 'Secret' Talks Held With Beijing

OW2708090095 Taipei LIEN-HO PAO in Chinese
22 Aug 95 p 1

["Ku Chen-fu Denies Japanese Media Report that Both Sides of the Taiwan Straits 'Conducted Submerged Contact' in Hong Kong" — LIEN-HO PAO headline; by reporter Ho Ming-kuo (0149 2494 0948) reporting from Taipei]

[FBIS Translated Text] It was reported that during an interview by Japanese reporters, Ku Chen-fu, chairman of the Straits Exchange Foundation (SEF), disclosed both sides of the Taiwan Straits had held secret contacts in Hong Kong to break the deadlock between them. Yesterday evening [21 August], Ku Chen-fu solemnly denied this, saying that he absolutely had never said such a thing.

According to those close to Ku Chen-fu, he met with some Japanese reporters visiting Taiwan for news coverage of the "Asia Open Forum" at the Caesar Park Hotel-Kenting on 20 August. During the meeting, a Japanese reporter asked him if there is anyone attempting to ease cross-strait tensions via a different channel. Ku Chen-fu replied he was not clear about such a thing, but he would be pleased to see such an attempt succeed if anyone is making a similar endeavor. However, he said, that given the stand the SEF must take, it would not conduct any secret contacts with the mainland.

Ranking officials of the Mainland Affairs Council (MAC) said they "knew nothing" about the report that Taiwan and the mainland had held secret contacts in Hong Kong, and that the MAC had not taken part or been informed of the matter.

Before the interview began, Ku Chen-fu announced that it would be "an explanation of the background," urging reporters not to report his remarks. According to a those present at the interview, Ku Chen-fu did stress the hope that Ku-Wang talks will be resumed as early as possible and the issue that Ku Lien-sung, chairman of the Chinese National Association of Industry and Commerce, will soon lead a delegation to visit the mainland. However, a source stressed that Ku Chen-fu absolutely had never said anything about Taiwan and the mainland holding secret contacts during the interview.

Taiwan, Mainland To Conduct Joint Oil Survey

OW2608035995 *Taipei CNA in English*
0129 GMT 26 Aug 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Aug. 25 (CNA) — The first cross-Taiwan Strait oil technology seminar is slated to open in Taipei next week, marking a step forward in bilateral cooperation between Taiwan and Mainland China in oil reserves exploration.

"It will be the third exchange since 1994, following the two 'information exchanges' in Singapore," said Chang Tzu-yuan, chairman of Taiwan's Chinese Petroleum Corp. (CPC).

Twenty papers concerning the R&D and oil refining and exploration will be discussed during the two-day meeting, which opens next Tuesday [29 August].

The mainland side will be represented by 28-member delegation composed of senior executives and technicians of China Natural Petroleum Corp. (CNPC), China Natural Offshore Oil Corp. (CNOOC), and China National Petro-Chemical Corp. (SINOPEC).

Petrochemical raw material producers and down-stream [words indistinct] from Taiwan will also send officials to the landmark seminar.

The upcoming meeting marks the progression into the second stage of the four-stage bilateral cooperation plan. "The seminar is tantamount to the end of joint research and the beginning of joint oil reserves survey," Chang said. He added that the third and fourth stages will feature joint exploration and joint production, respectively.

Chang stressed, however, that the CPC will carry out the bilateral cooperation plan through the CPC's subsidiary, Overseas Petroleum Investment Corp. As the CPC is state-run enterprise, it is still barred from entering into direct joint ventures with mainland firms.

Li Teng-hui Meets Palau President

OW2608040795 *Taipei CNA in English*
0137 GMT 26 Aug 95

[By Yang I-feng]

[FBIS Transcribed Text] Taipei, Aug. 25 (CNA) — President Li Teng-hui on Friday called for strengthened relations between the Republic of China [ROC] and Palau through frequent exchanges of visits by officials and peoples of the two nations.

President Li made the call while meeting with Palau President Kuniwo Nakamura and his delegation at the presidential office.

Nakamura arrived in Taipei Thursday for a three-day visit.

Nakamura said that Palau, with its abundant natural and tourism resources, is looking forward to greater cooperations with the ROC and he hopes that more Taiwan businesses will invest in his country.

He also expressed his admiration for President Li's ideas in running the nation, as shown in his speech delivered at Cornell University in June.

Li said that his Cornell speech, titled "Always in My Heart", was mainly to express the desire and wishes of the people in Taiwan and let the world understand that the ROC is a country committed to freedom, democracy and peace.

Also present at the meeting were Naional Security Council Secretary General Ding Mou-shih and Vice foreign Affairs Minister Fang Chin-yen; and former Palau President Ngiratkel Etpison, Prliament Speaker Surangel S. Whipps, and Deputy Speaker Haruo Esang on the Palau side.

Li Teng-hui Meets With Paraguay's Wasmosy

Wasmosy Feted

OW2608042095 *Taipei CNA in English*
0145 GMT 26 Aug 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Aug. 25 (CNA) — Republic of China [ROC] President Li Teng-hui on Friday conferred a medal of the Order of Brilliant Jade on visiting Paraguay President Juan Carlos Wasmosy in recognition of his outstanding contribution in promoting friendly ties between the two countries.

Also attending the presentation ceremony were ROC's Vice President Li Yuan-zu, Premier Lien Chan, Presidential Secretary-General Wu Poh-hsiung and Foreign

Affairs Minister Chien Fu, as well as Paraguay's Foreign Affairs Minister Luis Maria Ramirez, Trade Minister Ubaldo Scavone Yodice and Engineering and Transportation Minister Carlos Facetti Masulli.

Wasmosy said he felt very honored to receive the medal and vowed to make more efforts to promote bilateral exchanges in agriculture, economy, trade and investment.

Later in the day, Wasmosy was honored at a state banquet hosted by President Li.

In addition to expressing appreciation for Wasmosy's visit to the ROC during a welcoming speech, Li also praised Paraguay's rapid development under Wasmosy's leadership.

Li also called for closer relations between the two countries in both bilateral and international affairs.

In return, Wasmosy stressed Paraguay's continued support for the ROC and praised the ROC's outstanding achievements in many fields.

Wasmosy, leading a 30-member delegation, arrived in Taipei on Thursday for a four-day visit.

Wasmosy will pay a visit to the Council of Agriculture on Saturday.

In an effort to further strengthen bilateral agricultural cooperation, COA Vice Chairman Sun Ming-hsien and his Paraguay counterpart, Geraldo Lopez, will sign a memorandum on agricultural cooperative projects on Saturday.

The ROC and Paraguay have maintained close relations in agricultural cooperation since the two countries signed their first cooperative agreement on economy and technology in 1972.

A 22-member agricultural mission from Taiwan is currently stationed in the south American country, the COA said, adding that the mission has successfully helped Paraguay farmers upgrade technology levels and living standards over the past 10 years.

Accord Signed; Wasmosy Departs

OW2808033095 Taipei CNA in English
0132 GMT 28 Aug 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Aug. 27 (CNA) — Paraguay President Juan Carlos Wasmosy left Taipei Sunday for home, concluding his four-day visit here.

ROC [Republic of China] President Li Teng-hui, Premier Lien Chan, and Foreign Affairs Minister Chien Fu were on hand to see him off at the airport.

Wasmosy said at a pre-departure press conference [words indistinct] that he condemned Mainland China's military threats against Taiwan and said Paraguay will forever stand together with the ROC no matter what happens across the Taiwan Strait.

Wasmosy said he will also personally voice his support for the ROC's bid to enter the United Nations in the September UN General Assembly.

Wasmosy is the first civilian president in Paraguay, and this is his first visit to the ROC since he was inaugurated as president in August 1993. Paraguay is the only country in South America which maintains official relations with the ROC.

Wasmosy said Paraguay, a member of the Southern Cone Common Market, is willing to share its interest in land and power development in the region with the ROC. He added that his country will offer the best investment climate it can to attract Taiwan investors.

Meanwhile, ROC's Council of Agriculture (COA) Vice Chairman Sun Ming-hsien and Paraguay's Agriculture Minister G. Lopez [name as received] signed a memorandum of understanding on agricultural cooperation Saturday.

Under the cooperation pact, Taiwan [words indistinct] Paraguay are similar in agriculture and personnel training, COA chairman Sun said while receiving Wasmosy at his office Saturday afternoon. He added that Taiwan has maintained good agricultural relations with the South American country since the two sides signed an economic and technical cooperation agreement in 1973.

Sun said the ROC will provide loans and agricultural machinery service to help improve the living conditions of small farmers in Paraguay, and help to establish 21 demonstration villages there.

In addition, Taiwan will help flower growers in Paraguay's capital city of Asuncion to introduce new flower seeds and set up flower demonstration centers to develop Paraguay's tourism industry.

In a ceremony, Wasmosy conferred an Order of the Propitious Clouds with Special Grand Cordon to ROC Premier Lien Chan Saturday. Lien thanked Wasmosy for Paraguay's continuous support of the ROC. Wasmosy, leading a 30-member delegation, arrived in Taipei Thursday. He signed a joint communique with ROC President Li Teng-hui, reaffirming Taipei's commitment to further boost relations between the two countries.

Government Revising Law on Human 'Smuggling'
OW2608091595 Taipei CHUNG-YANG JIH-PAO
in Chinese 19 Aug 95 p 6

[FBIS Translated Text] The United States has again expressed displeasure at our smuggling of people into that country. Ministry of Foreign Affairs [MOFA] Spokesman Leng Jo-shui said yesterday: The administrative department has submitted a draft amendment, to the "Statute Governing Relations Between People of the Taiwan Area and the Mainland Area" to the Legislative Yuan for deliberation, so as to settle the smuggling issue. The draft is now before a committee. It is hoped that the legislative department can cooperate with the administrative department.

At a news conference held by the American Institute in Taiwan [AIT] in Washington on 17 August, R. M. Perito, head of the U.S. State Department's International Criminal Division, called on our legislative department to accelerate legislation to penalize fishermen smuggling illegal immigrants from Mainland China. Before the legislation is passed, crew members involving in smuggling should be punished in accordance with the existing legal framework.

Leng Jo-shui said: Since seizing our vessel Lung Sheng No. 8 on 3 July, the U.S. Coast Guard has kept in touch with us. The captain and a crew member — both of Republic of China [ROC] nationality — were extradited to our country from the U.S. on 17 August.

He said: In the draft amendment submitted to the Legislative Yuan by the Executive Yuan, Article 28-1 is a new article and Article 80 is revised. All fishing boats carrying people from the mainland to other countries will be punished.

Article 28-1 stipulates that ROC ships, aircraft, and other vehicles are prohibited from smuggling people from the mainland to Taiwan or other countries or regions outside the mainland. The revised Article 80 states that owners and operators of ROC ships, aircraft and other vehicles, or captains or drivers of other vehicles, who navigate to the mainland in violation of the first item of Article 28 or Article 28-1, will be imprisoned in forced labor service for not more than three years or fined 1-15 million new Taiwan dollars.

Leng Jo-shui emphasized: Our country is ruled by law, and everything should be handled according to law. At present, we are revising our laws in an effort to resolve the issue of smuggling.

Poll Reveals Widespread Support for UN Bid
OW2608105395 Taipei CNA in English
1011 GMT 26 Aug 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 26 (CNA) — More than 80 percent of Taiwan people support the government's bid to join the United Nations, according to a recent public opinion survey released Saturday.

The survey, conducted by National Sun Yat-sen University in Kaohsiung, southern Taiwan at the request of the Nationwide Action Committee for UN Membership, also found that more than 50 percent of those interviewed believe it is necessary for the ROC [Republic of China] Government to win a seat in the UN.

Nevertheless, the poll showed most people consider that the opportune time for Taiwan to seek UN membership is after it wins diplomatic recognition of a majority of UN member countries or major influential countries around the world.

Among major government tasks, most respondents said the government should give priority to promoting administrative reforms, improving social order and security and boosting welfare services. Promotion of the UN bid ranked eighth on the priority tasks list, according to the poll.

For those opposed to the government's UN bid, the major reason was that such action would only waste national resources at the moment.

The survey also found that most respondents believe Beijing's boycott will be the biggest obstacle to Taiwan's UN bid.

The poll of 1,125 adults responding around the island was conducted between May 12 and May 18, with a reliability rate of 95 percent.

Prof. Lu Ya-li of National Taiwan University said the poll shows that local people do not have an unrealistic, romantic illusion about Taiwan's prospects of entering the UN anytime soon. While most people support the UN bid, they also understand it's no easy task to realize this goal under Beijing's boycott.

"I believe most local people will be unlikely to force the government to formulate a timetable for the UN bid," Lu noted.

Against this background, Lu said, the government need not devote too much energy or resources to promoting such a bid at the moment, and should instead pay more attention to improve social welfare.

"While working to expand Taiwan's diplomatic frontier, the government should also endeavor to boost relations with Mainland China to maintain peace and stability in the Taiwan Strait," he added.

As the poll was conducted before Mainland China staged a series of large-scale military exercises just north of Taiwan, Lu said, an additional survey on local people's latest attitude toward the government's UN bid is needed.

Meanwhile, Legislative Yuan President Liu Sung-fan, also chairman of the Nationwide Action Committee for UN Membership, said the government should first seek

to become a UN observer and then seek to become a full UN member to better protect rights and interests of the 21 million people living in Taiwan, Penghu, Kinmen and Matsu.

Liu said he will again head a delegation of parliamentarians and elite members from other social sectors to visit New York in mid-September when the UN general assembly will convene its annual meeting. "The mission will explain our stance to representatives of various UN member states and lobby their support for our UN bid," he added.

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